As of 12 p.m. ET **DJIA** 10741.83 ▲ 0.08% **FTSE 100** 5642.62 ▼ 0.04% **Nikkei 225** 10744.03 ▼ 0.95% **Shanghai Comp.** 3046.09 ▼ 0.14% **Hang Seng** 21330.67 ▼ 0.25% **Sensex** 17519.26 ▲ 0.17% **S&P/ASX 200** 4863.11 ▲ 0.20%

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The yuan scapegoat: U.S. flirts with currency war
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DOWJONES A NEWS CORPORATION COMPANY asia.WSJ.com

Geely says talks on Volvo hit a snag

By Norihiko Shirouzu

BEIJING—China's **Zhejiang Geely Holding Group** Co. Chairman Li Shufu said he continues to expect to complete Geely's effort to acquire **Ford Motor** Co.'s unprofitable Volvo unit but indicated the talks have hit a snag because of unspecified problems at Ford.

Mr. Li said his auto maker has "done everything [it] can to prepare for the deal in accordance with the framework agreement" the two auto makers signed in December to allow Geely to acquire Ford's Swedish unit. The ball is now in Ford's court, he indicated.

"We're ready to seal the deal," Mr. Li said on the sidelines of a ceremony to launch cooperation in automotive talent development between Geely and a company-affiliated university in Beijing. "If the deal fails, the problem is not on our side. We have not violated any part of the agreement."

Mr. Li said he still expects to complete the deal, but his tone was cautious. "The situation is changing constantly...and the process of the negotiation is very tough," he

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U.N. group rejects proposed bluefin-tuna trade ban

Associated Press

A U.S.-backed proposal to ban the export of Atlantic bluefin tuna prized in sushi was rejected by the United Nations' Convention on International Trade in Endangered Species, with developing nations joining Japan in opposing a measure they feared would devastate fishing economies. Above, a fish dealer pulls a cart carrying sliced bluefin tuna at Tokyo's Tsukiji fish market on Thursday.

China official warns of risk if yuan rises

By Andrew Browne

BEIJING—A senior Chinese trade official warned that any further appreciation of the Chinese currency risked driving exporters out of business, underscoring the domestic political pressures on Beijing amid growing international calls for China to let the yuan rise.

Vice Commerce Minister Zhong Shan, in an exclusive interview Thursday ahead of a visit to the U.S., said that the profit margin on many Chinese export goods was less than 2%.

Most exporters absorbed the appreciation in the value of the yuan that followed its revaluation in 2005 by boosting innovation and cutting costs, but many were forced to close, he said. A further rise in the currency's value would endanger more exporters' survival, which China can't afford, he said.

Mr. Zhong talked about a potential tipping-point effect to describe the fragile situation of many exporters. "Water doesn't boil if it is heated to 99 degree Celsius. But it will boil if it is heated by one more degree," he said. Likewise, "a further rise in the yuan by a very small magnitude might cause fundamental changes" to exporters in China, he said.

The yuan climbed 21% against the dollar from 2005 to 2008, when China adopted a managed-float currency system under which the yuan's value was linked to a basket of currencies. But the yuan has been kept almost unchanged against the dollar since the outbreak of the global crisis to help Chinese exporters, which has prompted much criticism from abroad.

Earlier in the week, a bipartisan group of U.S. senators introduced legislation aimed at forcing the Obama administration to take action against China over its currency policy, reflecting growing anger on Capitol Hill over the issue. On Thursday, U.S. Ambassador to China Jon Huntsman, in a speech to students at Tsinghua University in Beijing, called on China to allow "more flexibility" on the yuan exchange rate.

Mr. Zhong said that "I fully understand the state of mind of the U.S. government and its people" toward the

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Greece says it's not seeking help

BRUSSELS—Prime Minister George Papandreou said Thursday that Greece isn't seeking financial aid from either the European Union or the International Monetary Fund even as the country struggles to fix its troubled public finances.

*By **Carolyn Henson, Costas Paris, Alkman Granitsas** and **Marcus Walker***

"We want to do it ourselves and, for that reason, we are not seeking financial help," Mr. Papandreou said in a televised cabinet meeting.

"And with the efforts and the sacrifices of us all, I know we can succeed provided we can borrow at reasonable rates," he added. "Our program does not seek, nor will it seek, financial help from anyone; not from our European partners, nor from the International Monetary Fund."

Reuters

Greek Prime Minister George Papandreou, in Brussels Thursday.

The German government signaled it might support a joint European-IMF bailout, should Athens need aid. Chancellor Angela Merkel is "open to a financial participation by the IMF," said a senior German official. The official stressed that Greece hasn't asked for a rescue. Germany wants Greece to solve its fiscal crisis alone through austerity measures.

Chancellor Merkel has long believed that the IMF should be involved in any bailout package for Greece, along with bilateral loans from Germany and other European countries—a model that was used for the bailouts of Hungary and Latvia in late 2008.

But Ms. Merkel has so far found herself in a minority in the euro zone. French President Nicolas Sarkozy and European Central Bank President Jean-Claude Trichet have led opposition to IMF involvement, arguing the euro zone should handle the Greek debt crisis internally.

Greece hasn't approached the IMF for financing, but the fund remains ready to help if needed, an IMF spokeswoman said Thursday.

Mr. Papandreou earlier Thursday requested that EU

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Source: Transaction Processing Performance Council, www.tpc.org as of 11/3/09.
12-Node SPARC Enterprise T5440 server cluster, 7,646,486 tpmC, $2.36/tpmC, available 3/19/10.
IBM Power 595 Server Model 9119-FHA, 6,085,166 tpmC, $2.81/tpmC, available 12/10/08.
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Business & Finance

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■ **Rusal's Hong Kong listing** opens a compelling option for Russian companies that have traditionally sought to go public in London, Rusal's deputy chief executive said. **15**

■ **Former Fed Chief Greenspan** acknowledged a range of regulatory failures in a review of the financial crisis, but he disputed the view that the Fed left interest rates too low for too long. **7**

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■ **FedEx posted improved** results and said a global economic recovery appears to be broadening. **17**

■ **Teva will acquire** Ratiopharm for nearly $5 billion, catapulting the Israeli drug maker to a top position in the European generic drug market. **17**

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■ **McLaren Automotive plans** to build high-performing sports cars in the U.K. using Formula One technology. **18**

European Pressphoto Agency

Thai soldiers patrolling Bangkok streets had a quiet day Thursday as leaders of the protesters who are demanding fresh elections pondered what to do as their tactics haven't had success. Prime Minister Abhisit Vejjajiva has refused to bow to the crowds' call. Protest leaders plan a convoy around Bangkok Saturday to seek more support and to begin what they call a 'class war.'

■ **Macau gambling tycoon** Stanley Ho denied any connection to organized crime in response to allegations by a New Jersey gambling report. **16**

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* * *

World-Wide

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■ **The Democrats' health-care** bill in its final version will cost the U.S. $940 billion over a decade, according to an independent analysis. **9**

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■ **Died:** Turnaround expert Jerome York, 71, in Michigan of a brain aneurysm. **WSJ.com**

ONLINE TODAY

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India Chief Mentor

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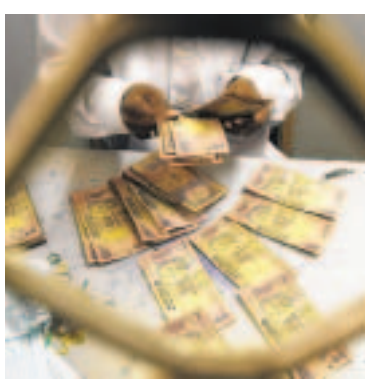
One of the key constraints in India's start-up market is the lack of early-stage investments.



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Follow the latest news from the U.S. college basketball tournament at online.wsj.com/sports

Weekend Asia

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A look at the six movies competing for Best Film at Monday's fourth annual Asian Film Awards.

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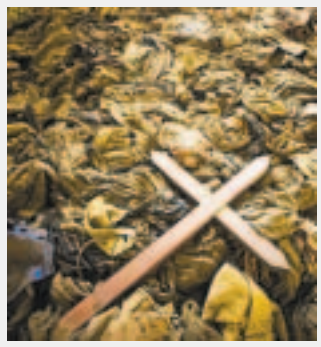

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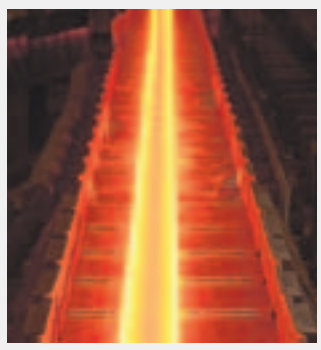

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WORLD NEWS

S&P warns of rising bad debts in China

Indirect borrowing by local governments is core of the problem as lending doubles to $1.4 trillion

By Dinny McMahon

BEIJING—A potential spike in bad debts as a result of a government-backed lending surge is likely to be the biggest challenge for China's banks in the next few years, but lenders should be able to keep the problem at a "manageable level," Standard & Poor's Ratings Services said Thursday.

The report is the latest analysis to raise the prospect of a significant rise in nonperforming loans. China's banks—almost entirely state-controlled—lent a net total of $1.4 trillion in 2009, about double the volume in 2008. Fitch Ratings warned throughout 2009 that the spike in new loans could result in declining asset quality at banks. In February, it lowered its ratings on two mid-sized Chinese lenders, in part because of their loan growth in 2009.

Much of the concern centers on indirect borrowing by local governments. Barred from borrowing directly from banks, cities, counties and provinces set up investment vehicles which the banks lent to instead. These loans helped finance a wave of public construction last year, keeping China's economy buoyant during the financial crisis.

But the finances of many local governments were already weak prior to the downturn. Analysts say the indirect borrowing raises the specter of rising bad debt if the governments can't find the cash to repay their loans. Central government regulators in recent months have tightened supervision of such indirect borrowing.

Estimates vary about of the amount of debt accumulated by local government investment vehicles. Victor Shih, a professor at Northwestern University who has researched the issue, estimates it could be as large as 11 trillion yuan, or about $1.6 trillion. Chinese media reports have cited an estimate of about six trillion yuan.

S&P said in its report that it expects the ratio of nonperforming and other "problem" loans in China's banking system to stay below 10% at least until 2012. China's banks had a total nonperforming-loan ratio of 1.58% at the end of 2009.

Ryan Tsang, China banking analyst with the ratings company, said that if bad debts rose that high, many of China's city and rural commercial banks might need to turn to the government for assistance. The big, publicly traded banks, however, should be able to weather high levels of bad debts without having their ratings downgraded because they have improved risk management in recent years, he said.

"The earnings of Chinese banks may deteriorate and capitalization levels could moderate over the next two to three years as a significant rise in credit losses stemming from new loans starts to emerge," said the S&P report, which Mr. Tsang co-authored. "But we don't expect the banks' financial metrics to weaken enough to change our ratings"

Mr. Tsang said there would be cause for concern if the problem loan ratio rises significantly above 10%. "Approaching 15%, we estimate there would be an urgent need for the government to step in and strengthen the financial system," he said.

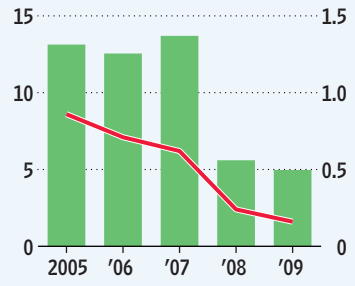
The S&P report comes as China's major banks are scheduled next week to start releasing their annual financial reports for 2009.

Analysts broadly expect that **Bank of China** Ltd., the country's third-largest listed lender by assets, will say Wednesday that net profit rose more than 22% last year, according to data from Thomson One Analytics. It will be the first to report. Analysts expect China's two largest banks, **Industrial & Commercial Bank of China** Ltd. and **China Construction Bank** Corp. will each post an increase in net profit of about 17%.

The strong figures are largely the result of lower default rates from borrowers who, given the huge increase in new loans last year, could more readily access credit than in previous years.

Reuters

An employee (right) counts money at a bank in Shanxi province on Thursday.



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Australia urges fair Rio Tinto trial

By Rachel Pannett

CANBERRA—Australia's Prime Minister Kevin Rudd warned China Thursday that "the world will be watching" how it conducts the trial of four executives of Anglo-Australian mining giant **Rio Tinto** Ltd., in a case that has already sent chills through foreign businesses.

The trial, which opens Monday in Shanghai, comes as foreign firms are saying their relationships with China are suffering because of Beijing's tough policies and its efforts to support domestic enterprises.

The Rio Tinto executives have been charged with stealing commercial secrets and taking bribes. Rio Tinto has denied any wrongdoing by the company or its staff. The case has aroused great attention in Australia, as it has cast a shadow over China's growing trade links with the resource-rich nation, and because one of the accused, Stern Hu, is an Australian citizen.

Mr. Rudd, who has called throughout the executives' eight months in detention for the case to be dealt with quickly and transparently, said "the world will be watching how this particular court case is conducted."

He made a similar statement after the arrests of the executives in July, at a time when Rio Tinto was engaged in tough iron-ore pricing negotiations with China, and shortly after Rio Tinto rejected a Chinese company's effort to buy a $19.5 billion stake in the miner. The arrests appeared to many foreign businesses working in China as a threat about the possible consequences of a commercial dispute.

Yet Australian officials, after initially sounding alarms over the case, have been measured in their comments, and the relationship has appeared to remain healthy. In October, the two countries held high-level defense talks, and China has signed a number of high-profile natural-resources deals. That month, Australian Foreign Minister Stephen Smith said relations with China were back to "business as usual."

A harsh verdict, however, could upset that relationship. Australia does have some leverage over China, primarily in its ability to refuse Chinese investments in major, strategic mineral deposits. Chinese companies have launched a series of bids to lock up ownership of Australian mines in recent years, and while the Australian government has approved many of the deals, it has also at times imposed tough restrictions or limited China to minority stakes. Analysts say Australia could take a harder line with China on such deals in the future, though doing so could prove unpopular with the country's influential mining sector, which in many cases supports more investment from China.

The minerals salesmen were detained in July and formally indicted in February on allegations of soliciting and accepting large bribes from several Chinese steel enterprises—apparently to ensure the mills were allocated iron ore. The indictment also alleges the four used "improper" means to obtain Chinese commercial secrets from steelmakers.

The aspects of the trial that deal with commercial secrets will be closed to the public and to consular representatives. Mr. Smith, the foreign minister, reiterated Thursday that Australia has requested its officials be present for the entire trial, not just the bribery proceedings.

Mr. Smith said that under a consular agreement between Australia and China, Australian officials should be allowed to attend all of the trial, but he also said that even in Australia there are cases where trials are conducted in private.

Asked if Australia believes Mr. Hu will receive a fair trial, Mr. Smith noted that Mr. Hu will still be represented by his legal counsel.

China's government on Thursday said that the case is a commercial one that shouldn't be politicized. A spokesman for China's Ministry of Foreign Affairs defended the decision to close part of the trial to the public, saying "noise" shouldn't be allowed to interfere with China's judicial process. "The Sino-Australian consular agreement also needs to respect China's sovereignty and judicial sovereignty," he said.

—Patrick Barta contributed to this article.

China, in need of iron ore, accounted for 24% of Rio Tinto's 2009 revenue. Pictured here, a Rio Tinto iron-ore operation in Western Australia.

Agence France-Presse/Getty Images

Headed to court

■ June 5, 2009: Rio Tinto rejects Aluminum Corp. of China's $19.5 billion investment.

■ June 30: Negotiations break down between suppliers and China over pricing of iron ore.

Reuters

Australian Stern Hu, above, has been out of view since July. Right, Rio Tinto CEO Tom Albanese.

■ July 5: Four Rio Tinto staff detained in China. China later says Australian Stern Hu stole state secrets using illegal means, including bribery, during iron-ore talks.

■ July 16-17: Rio Tinto tells foreign staff to leave China, and rejects China's allegations.

■ July 19: China shifts allegations to commercial crimes.

Bloomberg News

■ July 23: Australia's foreign minister urges quick resolution of case.

■ Aug. 11: Prosecutors approve arrest of the four men on charges of infringing trade secrets and bribery.

■ Aug. 27: Australian trade minister says Hu must accept the penalty if convicted.

■ Sept. 4: Rio Tinto says it suspended iron-ore price talks.

■ Oct. 25: Foreign minister says relations with China are back to 'business as usual.'

■ Feb. 10: Chinese government indicts the four executives on charges related to bribery and stealing commercial secrets.

■ March 22: Trial set to begin in Shanghai; Rio Tinto CEO Tom Albanese to attend business forum with Chinese leaders.

Ex-World Banker to run Pakistan ministry

By Zahid Hussain

ISLAMABAD—Pakistan named Abdul Hafeez Shaikh, a former World Bank executive, to head the finance ministry, ending weeks of uncertainty caused by the incumbent's unexpected exit.

The post of finance minister has remained vacant since Shaukat Tarin, a former Citibank executive who was a vocal critic of government corruption, resigned three weeks ago citing personal reasons. Prime Minister Yousaf Raza Gilani has overseen the finance ministry in the interim.

Mr. Tarin's surprise departure and delays in appointing a new minister raised concern among international donor agencies at a time when Pakistan's financial situation remains fragile.

The appointment of Mr. Shaikh, who is viewed as having wide-ranging political and business experience, could go some way to assuaging those worries, analysts said. "He is noncontroversial and highly regarded in the international financial agencies," said Ashfaq Hasan Khan, a former senior finance ministry official who teaches at National University of Science and Technology in Islamabad.

Mr. Shaikh comes from an influential family of politicians from the southern province of Sindh, though he isn't a member of any political party. Mr. Shaikh will hold the official title of Adviser to the Prime Minister on Finance because he isn't a member of parliament. The post has the same authority as finance minister.

The 55-year-old Mr. Shaikh, a U.S.-trained economist who served as privatization minister in former President Pervez Musharraf's military-led government, is expected to take office next week, a senior finance ministry official said. In the 1990s, Mr. Shaikh served as country head of the World Bank's operations in Saudi Arabia.

The incoming finance chief, who was in Dubai on Thursday, couldn't be reached for comment.

Mr. Shaikh is a partner in New Silk Route Partners, a private-equity firm that invests in Asia and the Middle East.

"He is experienced and strong on delivery. His appointment will give a lot of confidence to the stock market and to investors," said Muddassar Malik, chief executive of BMA Capital Funds, a Karachi-based asset management company.

The delay in appointing Mr. Tarin's replacement had caused jitters among foreign donors who have pledged billions of dollars to stabilize Pakistan's economy, senior Pakistani officials said.

The IMF has earmarked $11.3 billion in emergency loans for Pakistan since November 2008 when Islamabad faced a balance of payments crisis amid an al Qaeda-linked Islamist insurgency that scared off foreign investors. To get regular disbursements of this money, Pakistan has to meet goals such as reducing its budget deficit, reining in runaway inflation and increasing tax collection.

A major challenge for Mr. Shaikh will be energizing the country's struggling economy. Taming inflation and bringing down the budget deficit from a current 5.1% of gross domestic product are key tasks, analysts said.

Mr. Shaikh will also be under pressure to find money to help build much-needed infrastructure, such as power plants. Pakistan is suffering from daily electricity blackouts lasting up to 16 hours in rural areas, a major problem for industry.

"Mr. Shaikh will not have an easy environment in which to work," said Mr. Khan, the former finance ministry official.

Bloomberg News

Abdul Hafeez Shaikh comes from an influential Pakistani political family.

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WORLD NEWS

Suspect in CIA suicide bomb killed

U.S. agency, using a drone attack, hits back after the December deaths of seven agents at an Afghan base

By Siobhan Gorman And Jonathan Weisman

WASHINGTON—A Central Intelligence Agency drone strike early this month killed a top al Qaeda trainer suspected of being involved in December's suicide bombing that killed seven CIA officers at a base in Afghanistan, U.S. officials say.

The March 8 strike on a suspected bomb-making facility in Miran Shah, Pakistan, killed as many as 15 people, including Hussein al-Yemeni, a rising star in the al Qaeda network led by Osama bin Laden, according to people familiar with the strike.

In an interview Wednesday, CIA Director Leon Panetta confirmed Mr. al-Yemeni's death. "We now believe that al-Yemeni, who was one of the top 20 [al Qaeda leaders], was one of those who was hit," Mr. Panetta said. "He is somebody who we believe was one of those who was involved in providing the explosives for the Khost attack."

Meanwhile, the top U.S. commander in Afghanistan, Gen. Stanley McChrystal, said there were signs high-level Taliban leaders were becoming more amenable to U.S.-backed reconciliation efforts. He said the group's leadership appeared to have been rattled by the recent capture inside Pakistan of Mullah Abdul Ghani Barader, the Taliban's operations chief, as well as by the stepped-up military campaigns against the armed group in both Afghanistan and Pakistan.

Mr. al-Yemeni, who was in his late 20s or early 30s, was on a small council that helped plan the December strike on a forward CIA operating base just outside the Afghan city of Khost, according to officials familiar with the operation. He was involved in training Taliban and foreign Al Qaeda recruits for strikes on troops in Afghanistan and targets outside the region.

The Khost bombing was carried out by a suspected double agent, Jordanian physician Humam Khalil Mohammed, who convinced Jordanian and U.S. intelligence officials he would lead them to the top echelon of al Qaeda, including the terror network's second-in-command, Egyptian Ayman al-Zawahiri. The bomber showed intelligence officials a picture of himself with Mr. Zawahiri to prove his value.

Killing Mr. al-Yemeni was very important to the CIA because of his status in al Qaeda and his involvement in the Khost attack, Mr. Panetta said. Mr. Panetta didn't speak directly to the circumstances of the death; the CIA doesn't discuss covert action.

"Anytime we get a high value target that is in the top leadership of al Qaeda, it seriously disrupts their operations," Mr. Panetta said. "It sent two important signals," Mr. Panetta said. "No. 1 that we are not going to hesitate to go after them wherever they try to hide, and No. 2 that we are continuing to target their leadership."

Mr. al-Yemeni also served as a liaison with a range of affiliated militant groups, including al-Qaeda's affiliate in Yemen, the Haqqani network in the Pakistani region of North Waziristan, and the Afghan and Pakistani Taliban, another U.S. counterterrorism official said. A specialist in bombs and suicide operations, he was also a conduit in Pakistan for money, messages and recruiting, the official added.

Mr. Panetta said the pressure on al Qaeda is growing on the border region between Pakistan and Afghanistan and could be stepped up further. The Pakistanis are also "talking about the possibility of going into North Waziristan," Mr. Panetta said. That is the tribal area where Mr. al-Yemeni was killed and is the home of the Haqqani network, a terror group which coordinates with the Taliban in Afghanistan.

Getty Images

CIA Director Leon Panetta, shown testifying in the U.S. Congress in February.

Mr. al-Yemeni appears to be the second Khost attack planner who had been killed since the Dec. 30 bombing of the CIA base. Pakistani Taliban chief Hakimullah Mehsud, who claimed credit for the Khost attack in a video with the bomber, is presumed dead because he hasn't resurfaced since another drone strike earlier this year, said a U.S. counterterrorism official.

Within days of his appointment as CIA director last year, Mr. Panetta decided his focus would be Pakistan's lawless tribal region. The battle against al Qaeda in Pakistan would become Panetta's war.

"The president of the United States gave us the mission of disrupting, dismantling and defeating al Qaeda and its militant allies," Mr. Panetta said. "We've virtually doubled our operations. We're putting tremendous pressure on al Qaeda as a result of that."

Presiding over the CIA's campaign against al Qaeda and its affiliates, Mr. Panetta has produced the CIA's highest annual tally of drone strikes—more than 65 since he took his post—that have taken out 400 to 500 militants. A U.S. counterterrorism official said Wednesday that in those strikes, around 20 noncombatants were killed, generally because they were right near a combatant.

Mr. Panetta has also made the CIA's drone program, a Bush-era assassination campaign that doesn't sit well with human-rights advocates, a staple of U.S. counterterrorism operations. And he has done it with the same team that was responsible for the practices that Mr. Panetta and President Barack Obama once criticized.

The results of the campaign, which includes the capture over the last two months of 20 al Qaeda and Taliban militants, have bolstered support for Mr. Panetta in Islamabad and Washington. In the fall, when he proposed an expansion of the drone program to a fleet of 14 pilotless planes from seven, the White House was quick to approve it, according to a senior intelligence official.

Democratic Sen. Dianne Feinstein, the Senate intelligence committee chairman who worried about Mr. Panetta's lack of spy experience, now praises his "unique set of credentials."

Republican Sen. Christopher S. Bond of Missouri, who tangled with Mr. Panetta during his confirmation hearing, now says he has "won over a lot of cynics, and he's among the very best of the intelligence appointments the current administration has made."

But the CIA's success in Pakistan comes with risks. The intensified focus on killing al Qaeda militants worries a number of CIA veterans, who say the agency is doing the military's most risky legwork while neglecting the agency's core mission, which is to collect secrets that help forecast emerging threats overseas.

"Allowing the agency to do what I think is a military job is ridiculous," said Margaret Henoch, a former senior CIA official, who added that there is no reason the Defense Intelligence Agency can't be responsible for tactical intelligence operations. Meanwhile, others worry that the administration will become overreliant on the drone program because it produces tangible results. "There's no question in my mind this is disrupting and hurting the enemy badly, but at the same time, you don't win this way," said Michael Hurley, a former CIA counterterrorism official.

Mr. Panetta said he understands these concerns, which is why he has asked his staff to develop a strategy to address terrorist threats not just in Afghanistan and Pakistan, but in Yemen, Somalia and other emerging terrorist hot spots. He also needs to make sure the agency doesn't lose sight of trends in other areas of the world, Mr. Panetta said. "I can't afford to be surprised," he said.

—Yochi J. Dreazen contributed to this article.

Madoff beaten in prison last year

By Dionne Searcey And Amir Efrati

Bernard Madoff, who is serving a 150-year sentence in North Carolina for running a fraud scheme that cost investors billions of dollars, was physically assaulted by another inmate in December, according to three people familiar with the matter.

After the attack, Mr. Madoff, who pleaded guilty a year ago and was sent to a federal prison in Butner, N.C., was moved on Dec. 18 to the prison's low-security medical center for treatment. At the time, the Bureau of Prisons said that rumors of an assault were false and that Mr. Madoff suffered from dizziness and hypertension.

One of his lawyers, Ira Sorkin, added at the time that Mr. Madoff was experiencing high blood pressure and heart palpitations. Mr. Sorkin declined to comment Wednesday on whether his client was beaten, saying, "I don't comment on prison conditions or his family. That has been my policy."

Mr. Madoff was treated for a broken nose, fractured ribs and cuts to his head and face, according to a felon currently at Butner serving time on drug charges who was familiar with his condition at the time. The details of the injuries couldn't be independently verified.

Another inmate who recently was released from Butner after serving time on drug charges also confirmed the assault, as did a third person familiar with Mr. Madoff's situation.

The former inmate said the dispute centered on money the assailant thought he was owed by Mr. Madoff.

The current inmate said Mr. Madoff's assailant was a beefy man serving time for a drug conviction. The alleged assailant's mother said in an interview her son hadn't mentioned any scuffle with Mr. Madoff but that he had been a body builder and held a black belt in Judo.

The Bureau of Prisons said it investigated the incident, a process that included an interview with Mr. Madoff.

"In December he told staff he was not assaulted, and an investigation was completed following his statements, which corroborated his statements," said Traci Billingsley, a Bureau of Prisons spokeswoman. "Not one inmate has told staff he was assaulted."

When The Wall Street Journal asked about the alleged assailant, she said the scenario would be "virtually impossible" because that prisoner lived in a different unit from Mr. Madoff, and each unit was locked down at night.

The inmate who currently resides at Butner—as well as former inmates including Kenneth Calvin "K.C." White, whose prison sentence in Butner for bank robbery overlapped with Mr. Madoff's for several weeks—said prisoners of various units interacted throughout the day.

The Bureau of Prison's inmate handbook for Butner says inmates can move from one area of the institution to another during the work day if they have a pass, and can leave their units for meals.

It wasn't clear what time of day the alleged incident occurred.

Denise Simmons, a spokeswoman at the Butner prison, said, "We have no knowledge or information to confirm he was assaulted."

Mr. Madoff, 71 years old, has since returned to the medium-security facility where he was originally housed, according to the Bureau of Prisons.

It's not uncommon for prisoners to deny being beaten because they don't want to risk a reputation as a snitch, according to prison experts and prisoner advocates. High-profile inmates may be at additional risk because other inmates may assume they have money or access to other resources, advocates say.

Mr. Madoff, who has served about eight months in the prison, lives in an unlocked cell at the medium-security facility.

Mr. Madoff spends free time in the prison library on the weekends and often watches movies, including "Lethal Weapon," according to the former inmate. He said he chatted with the admitted Ponzi schemer on Saturdays in the library and asked for financial advice: "He gave me ideas on my index funds."

Mr. Madoff advised him to diversify, saying he should invest in funds that track the S&P 500 index of stocks "where my money would be on all the stocks instead of putting my eggs into one basket," the former inmate said.

He said Mr. Madoff also warned him off of day trading. "I was trying to get into day trading and he's like, 'That's not for you. That's for individuals like me with millions to spare,' " he said.

Reuters

Bernard Madoff, in an undated mug shot, is serving 150 years.

He described Mr. Madoff as discreet and select in the company he chose to keep behind bars.

The financier often dined with John Mancini, a 56-year-old pharmacist from Wappingers Falls, N.Y., who was sentenced for illegally distributing about five million tablets of the painkiller hydrocodone, the former inmate said. Mr. Mancini's attorney didn't return a call seeking comment.

WORLD NEWS

Greenspan defends low-rate policy

Former Fed chief acknowledges regulatory missteps, says failed supervision was a key ingredient in the crisis

By Jon Hilsenrath

WASHINGTON—In a detailed review of the causes of the financial crisis, former Federal Reserve Chairman Alan Greenspan acknowledged a range of regulatory failures but strongly disputed the widely held view that the Fed left interest rates too low for too long.

"We had been lulled into a sense of complacency by the modestly negative economic aftermaths of the stock market crash of 1987 and the dotcom boom," Mr. Greenspan said in a paper, "The Crisis," that he will present at a Brookings Institution conference Friday. "Given history, we believed that any declines in home prices would be gradual. Destabilizing debt problems were not perceived to arise under those conditions."

Mr. Greenspan's reputation has been tarnished by the crisis. Widely hailed when he left office in January 2006 as one of the greatest central bankers ever, he is now blamed by many for advocating deregulation and low interest rates during the 1990s and 2000s.

The best solution today, he says, is to demand that banks hold more capital.

Current Fed Chairman Ben Bernanke has said that failed supervision was a key ingredient in the crisis. In response he has beefed up the Fed's oversight of the nation's biggest banks and become more aggressive about enforcing consumer-protection rules. But like Mr. Greenspan, he has argued against the idea that low rates fueled the boom.

In Mr. Greenspan's 48-page review of the causes and consequences of the crisis, the text of which was released by Brookings, he acknowledged that the regulatory system failed, that Fed officials didn't take seriously enough the risks building in the subprime mortgage market last decade, that regulators more broadly didn't demand that banks hold enough capital and that he didn't do enough to rein in "megabanks" that posed a risk to the financial system.

He offered a full-throated defense of the interest-rate policies he championed. Low rates did play a role in spurring a housing bubble last decade, Mr. Greenspan said. But it wasn't the short-term rates he controlled, he said. It was longer-term rates, which were driven lower by a flood of savings released by emerging markets into the global financial system.

The Fed pushed its benchmark interest rate—the federal-funds rate—to 1% in 2003, to fend off a dangerous bout of deflation. Mr. Greenspan says rates on 30-year fixed-rate mortgages drove the housing boom, not the overnight lending rates the Fed controls. Because of the flood of foreign capital, he said, longer-term rates became less closely linked to the federal-funds rate during the boom, something he described at the time as a "conundrum."

"Could the breakdown that so devastated global financial markets have been prevented?" Mr. Greenspan asked. "Given the in appropriately low level of financial intermediary capital (ie excessive leverage) and two decades of virtual unrelenting prosperity, low inflation and low long-term interest rates, I very much doubt it."

The best solution today, he says, is to demand that banks hold more capital. He dismisses the idea that a new "systemic risk" regulator, as Congress is now considering, might prevent the next crisis.

"The current sad state of economic forecasting should give governments pause on the issue," he says.

Mr. Greenspan offered a detailed defense in a dispute he has had with old friend John Taylor, the Stanford University professor and former Bush administration official who has blamed the Fed's low rates for the financial crisis.

Mr. Taylor is the author of a rule on monetary policy which ties interest-rate changes to changes in inflation and economic slack. He argues that the Fed veered from the rule and caused the housing bubble.

Mr. Greenspan shot back that the "Taylor Rule" applies to broad inflation but not asset bubbles.

He also pointed to a recent study by the Fed which showed that other central banks that moved in line with the Taylor Rule last decade still experienced housing bubbles.

Bloomberg News

Former Fed Chairman Alan Greenspan will present a paper on the crisis Friday.

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WORLD NEWS

Obama delays Asia trip for key vote

U.S. president puts off visit to Indonesia, Australia until June, as cost estimate on health bill paves way for action

By Janet Adamy

WASHINGTON—The final version of the Democrats' health overhaul will cost $940 billion over a decade and expand insurance coverage to 32 million Americans, according to a Congressional Budget Office report released Thursday.

The release of CBO's analysis of the overhaul plan paves the way for a climactic vote as soon as Sunday on President Barack Obama's top domestic priority.

The president was supposed to leave for a trip to Indonesia and Australia next week, but the White House said Thursday that the trip would be postponed so Mr. Obama could focus on the looming health-care vote in the House. White House spokesman Robert Gibbs said Mr. Obama would make the trip in June instead.

The CBO report said that, in total, the health-care package would reduce the deficit by $138 billion over the first decade of the legislation. The report says the Senate bill that is expected to go before the House will reduce the debt by $118 billion, and a package of changes on which the House is also planning to vote will reduce it by an additional $20 billion over that time.

The cost estimate gives Democrats a critical piece they need to win over wavering lawmakers on the bill. Many had said they were waiting for the CBO analysis before making up their minds.

House Speaker Nancy Pelosi said leaders were "very pleased" with the long-term debt reduction projections from the nonpartisan CBO. "It's even more savings than the Senate bill," she said.

Getty Images

President Barack Obama Thursday.

The White House had originally estimated the package would cost $950 billion over a decade. The health-overhaul bill passed by the Senate on Dec. 24 carried a 10-year price tag of $871 billion, while the House's version passed Nov. 7 was pegged at $1.055 trillion over a decade.

Republicans repeated their criticism of the legislation Thursday and called on wavering Democrats to vote no.

"Every time a new iteration of the Democrats' health-care bill is unveiled, the price tag goes up," said Senate Republican Whip Jon Kyl of Arizona. "The only thing that remains the same is that the American taxpayer will be on the hook to pay for it."

The legislation would reduce the annual growth in Medicare expenditures by 1.4 percentage points per year and begin to close a gap in seniors' prescription-drug coverage known as the doughnut hole. Through cuts in payments to Medicare providers, the bill is expected to extend the solvency of the Medicare insurance program by at least nine years.

The final package is made up of the Senate version of the health overhaul and an additional bill containing changes aimed at winning over House Democrats.

As of early Thursday, House leaders were still about 10 votes short of the 216 they need to pass the legislation.

Fiscally conservatives Democrats plan to study the package before announcing whether they will support the legislation, and their votes will be critical in determining the outcome.

—Patrick Yoest contributed to this article.

Flat consumer prices tame U.S. inflation

By Luca Di Leo And Sarah N. Lynch

U.S. consumer prices were flat in February from the previous month as higher car prices were offset by lower energy costs, leaving scope for the Federal Reserve to keep supporting the economy with record-low interest rates.

Separately, the number of workers filing new claims for jobless benefits fell slightly last week for the third consecutive time.

Meanwhile, the U.S. current account deficit expanded in the fourth quarter to its highest level in a year, as rebounding economic activity resulted in higher imports of oil and other goods.

The seasonally adjusted consumer-price index was unchanged last month, the Labor Department said Thursday, after increasing an unrevised 0.2% in January.

The last time inflation looked so tame was in March 2009, when consumer prices fell by 0.1%.

Core consumer prices, which strip out volatile energy and food items and are more closely watched by the Fed, were up by a monthly 0.1% in February. In January, core prices fell by 0.1%

Economists surveyed by Dow Jones Newswires were expecting an increase of 0.1% in both the headline consumer-price figure and the core consumer-price index number.

On an annual basis, which isn't adjusted for seasonal factors, consumer prices rose by 2.1% in February.

Core consumer prices rose by 1.3% from 12 months ago, the lowest increase since Feb. 2004.

The Labor Department's report showed that energy prices fell by 0.5% on the month, the first decline since April 2009, with the gasoline index falling by 1.4%.

Food prices were up 0.1% last month, with the index for food away from home and food at home both rising by 0.1%.

The latest figures should provide the Fed, whose aim is to keep both inflation and unemployment low, with more ammunition to leave short-term interest rates at a record low to bolster the recovery.

To combat the economy's downturn, the Fed has been keeping its key rate close to zero since December 2008.

The Labor Department said in its weekly report Thursday that initial claims for jobless benefits fell by 5,000 to 457,000 in the week ended March 13. The previous week's level was left unrevised at 462,000.

The broad measure of U.S. international transactions registered a shortfall of $115.6 billion during the period spanning October through December, the Commerce Department said Thursday.

The third-quarter deficit was revised down to $102.3 billion from an initial estimate of $108 billion.

However, for all of 2009, the current account gap fell to $419.9 billion, the smallest amount since 2001, compared with $706.1 billion in 2008.

The fourth-quarter trade gap rose to $108.9 billion from $96.4 billion in the third quarter.

—Tom Barkley and Jeff Bater contributed to this article.

Public gets sick of Congress amid health debate

[Capital Journal]

By Gerald F. Seib

Congress has a problem with health care, and it isn't simply that the debate over the subject has been long, divisive and, as of week's end, still inconclusive. The brawling also has fed a public unhappiness with the institution of Congress that now borders on disgust.

That stark reality puts into better perspective this week's hot new wrinkle in the health debate: Whether Democratic House leaders can or should use the so-called deeming device to allow their members to avoid at least one uncomfortable vote on the giant health bill. Whatever the merits or demerits of this maneuver, and whether its use should be considered normal or an outrage, deploying it now probably wouldn't do much to polish up Congress' already-tarnished image.

On this front, the findings from a Wall Street Journal/NBC News poll released this week are sobering. Congress' job approval has slid to 17%; it hit similar depths during the 2008 election year, but then recovered, and now is trending steadily downward.

When Americans were asked to pick among eight phrases to describe their feelings about Congress, all four negative phrases on the list scored higher than any of the four positive attributes offered as options. The problem appears bipartisan; Democrats in general are less popular than is President Barack Obama, and Republicans in general are less popular still.

Most striking, the Journal/NBC News pollsters posed this hypothetical: If there were a line on the ballot that would allow you to defeat and replace every single member of Congress, including your own representative, would you do it? Fully half of the respondents said they would.

"That is just stunning and amazing," says Democratic pollster Peter Hart, who conducts the Journal/NBC News survey along with Republican Bill McInturff.

It isn't just classic populists expressing that sentiment. Half of professionals and managers, and half of upper-income Americans opted for the hypothetical house-cleaning. And Americans who said they would consider voting for a candidate from the (still non-existent) Tea Party—well, for them, this idea is a dream come true. Seven in 10 Tea Party enthusiasts said they'd go for the wholesale House cleaning.

At this point, it's worth taking a deep breath and seeking a little perspective on such attitudes. Congressional approval ratings actually were a bit lower at some points during the unhappy election year of 2008, which suggests we're in the midst of a long-term, not a new, era of voter discontent.

Congress always looks worst when it's in the middle of making the sausage known as legislation, and that's certainly what the country is watching now. By contrast, lawmakers usually look better when the sausage is finished, packaged and displayed on the store shelf. Congress probably could attract less derision by doing absolutely nothing and keeping quiet about it.

Moreover, those who are unhappy with Congress hold quite different sets of grievances. The disaffected include both those who dislike what Congress is doing, as well as those unhappy because Congress isn't getting more done. It's also true, as is always the case, that Americans are harder on the institution of Congress generally than they are on their own representatives specifically.

But even that tendency to give the local representative a break has declined, which represents a warning light for incumbents of both parties this election year. Asked about the performance of their own representative in Congress, 45% said they approve. That's far higher than the 17% job approval for Congress as a whole, of course. But it's well below, for example, the 68% who gave their own representative an approving grade back in 1989.

Even more chilling for incumbent lawmakers, just 38% said their own representative deserves to be re-elected while 51% said it's time to give somebody new a chance

The question of the hour—of the year, really—is how much of this scowling is purely a result of the health brawl, and how much of it might ease once that is over.

Which takes us back to the current "deeming" debate within the health debate. Exotic as this legislative maneuver sounds, it's actually a simple idea. To get a health bill done, the plan had been for the House to pass the Senate's version of the legislation, and then immediately pass a separate measure making changes to fix provisions House members don't like.

Deem and pass means that House members would vote only on the changes to the Senate bill, and simply "deem" that they have passed the underlying legislation in the process of fixing it up. The aim of Democratic leaders in the House would be to free their members from having to vote for a Senate bill containing unpopular provisions such as the "cornhusker kickback"—a special deal inserted to woo Nebraska Sen. Ben Nelson by exempting his state from some Medicaid payments—when everybody agrees those provisions are going to be cut out anyway.

To Republicans, it's just trickery. To Democrats, it's a way around a political trap. The problem Democrats face with that argument, though, is that in their current mood, many voters don't appear inclined to give Congress the benefit of the doubt.

The Yuan Scapegoat

As if the world economy wasn't fragile enough, politicians in the U.S. and China seem intent on fighting an old-fashioned currency war. The U.S. is more wrong than China here, and it's important to understand why, lest the two countries send the world back to the dark age of beggar-thy-neighbor currency protectionism.

The U.S. establishment flirts with a currency and trade war with China.

* * *

The battle concerns China's decision to peg its currency, the yuan, to a fixed rate of roughly 6.83 to one U.S. dollar. To hear the American political and business establishment tell it, this single price is the source of all global economic problems. The peg keeps the yuan "undervalued" in this telling, fueling China's exports and harming the U.S., Europe and everyone else. If the Chinese would only let the yuan "float," it would soar in value, China's export advantage would fall, and the much-despised "imbalances" in global trade would end.

President Obama has picked up this theme, calling last week for Beijing to adopt "a more market-oriented exchange rate" that "would make an essential contribution to that global rebalancing effort." Less diplomatically, 130 Members of Congress sent a letter to Treasury this week demanding that unless China lets the yuan rise in value, the U.S. should impose tariffs on Chinese goods. Just what the world needs: a trade war.

At the core of this argument is a basic misunderstanding of monetary policy. There is no free market in currencies, as there is in wheat or bananas. Currencies trade in global markets, but their supply is controlled by a cartel of central banks, which have a monopoly on money creation. The Federal Reserve controls the global supply of dollars and thus has far more influence over the greenback's value than any other single actor.

A fixed exchange rate is also not some nefarious economic practice rare in human affairs. From the end of World War II through the early 1970s, most global currency rates were fixed under the Bretton-Woods monetary system created by Lord Keynes and Harry Dexter White. That system fell apart with the U.S.-inspired inflation of the 1970s, and much of the world moved to "floating rates."

But numerous countries continue to peg their currencies to the dollar, and with the establishment of the euro most of Europe decided to move to a fixed-rate system. The reason isn't to get some trade advantage against their neighbors but to gain the economic benefits of stable exchange rates—and in some cases a more stable monetary policy. A stable exchange rate eliminates a major source of uncertainty for investment decisions and trade and capital flows.

The catch is that under a fixed-rate system a country yields some or all of its monetary independence. In the case of euro-bloc countries this means yielding to the European Central Bank, and for dollar-bloc countries to the U.S. Federal Reserve.

This is what China has done with its yuan peg to the dollar. By maintaining a fixed yuan-dollar rate, China has subcontracted much of its monetary discretion to the Fed in return for the benefits of exchange-rate stability. For more than a decade, this has served the world economy well, leading to an explosion of trade, cheaper goods for Americans that have raised U.S. living standards, and new prosperity for tens of millions of Chinese.

For years, the U.S. establishment has nonetheless been pressing China to "revalue" the yuan in the name of reducing the U.S. trade deficit. Never mind that much of this deficit is intra-company trade, with U.S. companies outsourcing production to China to stay globally competitive (and their U.S. workers and shareholders profiting). Beijing bent for a while in the middle of the last decade and adopted a crawling peg that revalued the yuan by about 18%, but that had little impact on the trade deficit. China refixed the peg amid the financial panic of 2008, and now the American "revalue" clamor is rising again.

China is right to resist these calls, not least because a large revaluation could damage China's growth. China has learned from the experience of Japan, which bowed to similar U.S. currency pressure in the 1980s and 1990s, revaluing the yen from 360 to the dollar to as high as 80 in 1995. As Stanford economist Ron McKinnon has shown, one result was domestic deflation in Japan and its lost decades of growth. Meanwhile, Japan continued to run a trade surplus, as imports fell with slower internal growth and cross-border prices adjusted. China has helped to lead the global economy out of this recession, and the world needs that to continue.

Associated Press

One proposed alternative is for China to once again move to a crawling peg, with a modest revaluation. But that would only invite more pressure on the yuan, as global "hot money" and currency speculators anticipate a further yuan rise. This is especially true with the Fed keeping dollar interest rates at zero, which also encourages more hot money into China in anticipation of a rising yuan.

* * *

This is not to say that the current arrangement is ideal. China's real problem isn't its peg to the dollar but the yuan's lack of convertibility to other currencies and capital controls. These controls have blunted the yuan's development as a tradable currency, which means private markets can't recycle the flow of dollars into China from its large trade surplus. Instead, the job is left to China's central bank, which buys dollars deposited in Chinese banks with yuan. This is why the central bank has accumulated some $2.5 trillion in dollar reserves. (In order to prevent an explosion of yuan and domestic inflation, China's central bank then "sterilizes" those yuan by issuing bonds—but that's another editorial.)

China's build-up in dollar reserves is contributing to the world's anger at China, and it represents a huge misallocation of global resources. Instead of letting its dollar reserves find their best private investment use, China uses them to buy U.S. Treasury bills or Fannie Mae securities.

One solution would be to make the yuan convertible, and let capital and trade flows adjust through private markets rather than the Chinese central bank. This is how Germany recycles its trade surplus. A one-time small revaluation to, say, 6.5 yuan to the dollar accompanied by convertibility would help with global adjustment while avoiding the perils of Japan-like deflation.

The Chinese government resists open capital markets because it fears less political control. At least at first a convertible yuan might also lead to a surge in capital outflows from China as Chinese companies and individuals diversified their currency holdings and investments. But over time, and probably quickly, markets would adjust and reach a new equilibrium. Convertibility would also increase the domestic pressure for China to further liberalize its financial system.

This is where the U.S. should put its diplomatic pressure, rather than on the exchange rate. Even better would be a joint U.S. Treasury-Chinese declaration on behalf of such a policy shift, which would give credibility to the new monetary arrangement.

* * *

We realize these views diverge from the current U.S. establishment's patent medicine of smacking China and devaluing the dollar. But we hope they at least introduce a note of caution into the drive to blame the yuan and China for America's current run of economic anxiety.

It's especially dismaying to see the same U.S. and European economists and columnists who peddled Keynesian stimulus as an economic cure-all now tell us that their policies would be working better if only the yuan-dollar price were different. Because their own ideas have flopped, they now want to make the yuan a scapegoat and risk a trade war with China. Haven't they done enough harm already?

Frustration on the Mekong

There's still about a month of the dry season left to go in Indochina, and already parts of the Mekong River are close to completely drying up. The worst drought in half a century is not only depriving some of the 65 million people who rely on the river for water, it is also ruining farmers' crops and shutting down trade along the usually busy waterway. In the past such a disaster would be cause to blame heaven. This time a lot of the anger, rightly or wrongly, is directed at China.

The suspicion is that four large hydroelectric dams built along the Mekong in southwest Yunnan province since 1996 are holding back water to benefit Chinese users at the cost of people downstream. Thailand, Laos, Cambodia and Vietnam have all expressed some level of concern to China, but their citizens, especially in Thailand, have been more forthright in pointing the finger. Irate farmers in the north prompted Prime Minister Abhisit Vejjajiva to ask Beijing "to help manage the water flow along the river better." A recent editorial in the Bangkok Post, drawing on the claims of environmental groups, was headlined, "China's dams killing the Mekong."

Falling water levels reveal the hidden shoals of mistrust.

China may actually be getting a bum rap here. Yunnan is also suffering severely, with $1.5 billion in crop losses, power generation down and more than 20 large boats reportedly left high and dry. Officials have offered to open the largest operational dam at Jinghong to inspection to prove they are not hoarding water. Chinese Assistant Foreign Minister Hu Zhengyue visited Bangkok and told Thai Prime Minister Abhisit Vejjajiva, "China would not do anything to damage mutual interest with neighboring countries in the Mekong." And anyway, one diplomat explained, only 13.5% of the river's total water volume comes from China, with the bulk of the flow added by downstream tributaries.

Nevertheless, Beijing has only itself to blame, since its lack of transparency and cooperation has sown mistrust. China has steadfastly refused to reveal its dam-building plans until they are already underway, and ignored the expressions of concern of its neighbors. It has refused to join the Mekong River Commission, the multilateral body that those neighbors use to coordinate development and river management, although it is now an observer. And Chinese dams don't share information about the amount of water they are releasing except during the flood season.

China is in a fever of dam building, which makes the Mekong drought a possible harbinger of more such conflicts. Many of Asia's great rivers have their sources on the Tibetan plateau, and India especially is nervous that China might divert the water of the Brahmaputra, as has been mooted in the past.

With better diplomacy and information-sharing, Beijing could have avoided the suspicions of water hoarding and shown its neighbors the benefits of its dams to flood and drought management. Its future dams on the Mekong and other rivers offer a chance to show that it understands the responsibility of being a great power.

OPINION

Asean Discovers India

By Tai Hui

It's hardly news that China is the key driver of Southeast Asia's economic growth. But it may surprise many to learn that the region's trade with India is actually increasing faster, albeit from a much lower base. The trend suggests that within a few years India could replace China as the main source of export growth.

China still is Southeast Asia's largest trading partner, but now it has some competition.

The top six economies within the Association of Southeast Asian Nations—Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam—did a total of $208 billion in trade with China, whereas their trade with India only reached $43.7 billion. However, it's notable that for the past two years, Asean's trade surplus with India was actually larger than its surplus with China.

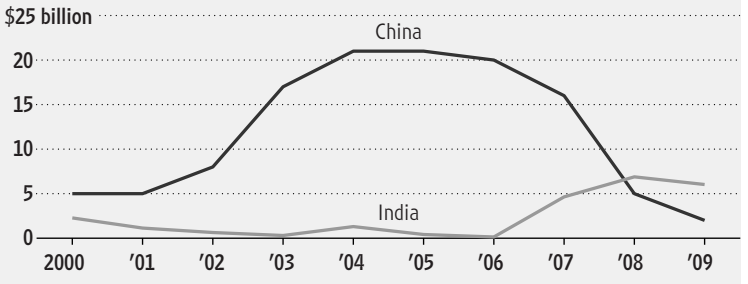
Asean's exports to India has picked up considerably since 2000—exports had reached $24.9 billion by 2009, more than six times the 2000 level, rising at a compounded annual growth rate of 23% over the period. This is driven by India's growing demand for commodities such as petroleum products and palm oil, as well selected capital goods, which implies that much of Asean's exports are going to support India's domestic consumption.

This contrasts with Asean exports to China, approximately half of which are used for domestic consumption and the rest for processing and re-exports. Given India's shortage of natural resources and the fact that its manufacturing sector will take years to develop, this trend should continue for many years. Meanwhile, Singapore is India's key export market in the region, absorbing 45% of Indian exports to Asean-6. Rather than reflecting Singapore's underlying demand for Indian products, this is more a function of Singapore's role as a regional trading hub.

What is causing this shift in Asean's trade dynamics within Asia? For China, years of capital investment by local and foreign investors means that it is now capable of producing a much broader range of products than five to seven years ago. As a result, China's dependence on parts and components from around Asean and Northeast Asia is gradually declining. It no longer gathers as many components from the Asean region for final assembly before shipping finished goods to consumers in the U.S. and Europe.

Trading Places

Asean's trade surplus with China and India, 2000-2009



Source: Standard Chartered Research

At the same time, Chinese exports are also making significant headway into Asean. From 2006-09, Chinese exports to Asean-6 grew at an average annual rate of 14%, while its imports from Asean grew only by 5.7%. Hence, the combination of import substitution by China and its expanding exports into Asean has led to the contraction in Asean's trade surplus.

This shifting balance of trade has important implications for Asia. First, over the coming years, India's economy and its policies will play an increasingly important role in Southeast Asia, as Asean economies seek to diversify their growth drivers. While manufacturers in Thailand, Malaysia and Indonesia are worried about competition from China, South Asia may offer new opportunities as India develops its manufacturing industries. Further expansion of the India-Asean free trade agreement will facilitate this development.

Second, competition from Chinese exporters in the Asean region is on the rise, especially in labor-intensive manufacturing industries. This has already triggered some concerns from Asean manufacturers over the implementation of the China-Asean free trade agreement, which came into force on Jan. 1, 2010. As a result, Asean central banks will be increasingly watchful over the region's exchange-rate competitiveness compared with China, particularly since China has chosen to virtually peg its currency to the U.S. dollar since the onset of the financial crisis.

Third, the ever expanding trade ties between China, India and Asean will put southeast Asia back on the radar screens of the major economic powers. After all, Asean has a combined economy of $1.5 trillion, equivalent to the economic might of Brazil, Russia or India, and a population of 580 million, double that of the United States.

The upcoming visit by U.S. President Barack Obama to the region, to be followed by Chinese President Hu Jintao in April, indicates that Asean is playing a more important geopolitical role. As President Obama comes calling, expect more Asean members to start negotiations to join the Transpacific Strategic Economic Partnership Agreement, which currently includes Brunei, Chile, New Zealand, Singapore and the U.S. and whose objective is to create a model trade agreement within the Asia-Pacific region.

Mr. Hui is the regional head of research for Southeast Asia at Standard Chartered Bank.

Afghanistan Takes On the World Twenty20

By Richard Lord

The ICC World Twenty20, the world cup of cricket's newest, shortest and most lucrative format, has already thrown out a big surprise: One of the 12 teams traveling to the West Indies next month will be Afghanistan.

To get an idea of how big an achievement this is for the Afghans, consider that the Afghanistan Cricket Federation, the sport's governing body in the country, was formed in 1995. It became an affiliate member of the International Cricket Council, the governing body of the global game, only in 2001.

This is a team that has never played a home game—they are forced to train in Dubai—and has its travel and hotel bills paid by the Asian Cricket Council. Yet it is participating in the game's second most prestigious international tournament, qualifying ahead of long-established teams such as Kenya, Scotland, the Netherlands and Canada by winning a tournament in the United Arab Emirates in February.

Afghanistan also narrowly failed to qualify for cricket's biggest competition, the 2011 Cricket World Cup, fighting its way through fifth- and fourth-tier tournaments to the final qualifying event in South Africa in April 2009. They may have missed out on qualification, but they did finish high enough in the tournament to gain official One Day International status, which means they can play at the highest level in the medium-length format of the game. That put them in the second tier of national sides, behind only the nine Test Match-playing countries. They then promptly won their first One Day International, against Scotland.

Cricket has become a symbol of Afghan national achievement.

By any measure, it's been a vertiginous rise, and it's all the more remarkable considering the almost complete absence of a cricketing culture in the country until very recently. The British, of course, played the game there in the mid 19th century, but unlike in other colonial outposts it didn't take root. Instead, the Afghan love affair with cricket began in the most unromantic of locales.

Cricket caught on in the refugee camps of western Pakistan where thousands of Afghans took shelter after the 1980 Soviet invasion. Most of the current Afghan squad learned to play there in the 1990s—many of them were even born there. It was in Pakistan that the Afghanistan Cricket Federation was formed, mainly because cricket was banned at home by the sports-hating Taliban. The sport's massive popularity forced the reversal of that decision in 2000, making cricket the only sport that could be legally played in the country under the Islamist regime.

Today cricket is a notable source of optimism within Afghanistan. The Taliban may not like cricket, but most everyone else does, precisely because it gives them reason to hope. It's a symbol of Afghan national achievement at a time when the nation's name has become synonymous with Islamic fundamentalism, corruption and drug trafficking. Against that backdrop, the highlight of the World Twenty20 qualifying tournament—alongside the win over fellow high-flying former minnows Ireland in the final, of course—was a joyously unacrimonious group game against the United States, which Afghanistan won by 29 runs.

The contrast between the two teams was as telling off the field as on it. While the Afghans' rapid rise has been driven by team spirit and unity of purpose, U.S. cricket has frequently lurched into disarray, with two bodies fighting to administer the game, and the officially recognized one—the United States of America Cricket Association—having twice been suspended for infractions including failing to hold elections for office-

M.E. Cohen

bearers, the last time in 2007. On the field, the superpower was beaten by a group of players most of whom learned to play on a dusty street in a refugee camp with a rolled-up rag for a ball.

It's difficult to assess the Afghan players because they've played so little cricket at the highest level. Off-spinning all-rounder Mohammad Nabi is probably their most experienced and influential player, and has even represented the Marylebone Cricket Club, which these days is a scratch team but still prestigious. Others worth noting are captain Nowroz Mangal, also an off-spinning all-rounder, and wicketkeeper-batsman Mohammad Shahzad.

Last month, the team chased 494 in the final innings of a match to beat Canada at the Intercontinental Cup in Sharjah. The cup is a first-class competition (the longest version of the game but between teams who don't have Test Match status), and the chase is the ninth-highest ever in first-class cricket (high scores are harder towards the end of games because the pitch deteriorates and becomes difficult to bat on). Mr. Shahzad scored 215 not out, Mr. Nabi 80 and Mr. Mangal 70 not out.

And so to the World Twenty20, where Afghanistan will line up in the group stage against two of the sport's powerhouses, India and South Africa. No level-headed judge would give them much chance of success. But funny things can happen in cricket—the likes of Ireland, Zimbabwe and Kenya have all managed major upsets at international tournaments in recent years. Moreover, the abbreviated nature of the Twenty20 format increases its unpredictability, with one big performance or influential passage of play able to swing the result of a match.

It's hard to see Afghanistan getting through their group, but then even a couple of years ago it would have seemed wildly unrealistic to believe they'd qualify for the tournament. Go back a couple of decades and it would have been a severe stretch to even imagine them having an international team. It just goes to show what focus, determination to succeed and a big dollop of team spirit can achieve.

Mr. Lord is a Hong Kong-based writer.

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IN DEPTH

Dominic Nahr for The Wall Street Journal

A land that outlawed hate is on edge as key vote nears

Critics of Rwanda's President Kagame claim harassment; stirring questions about who is Hutu and who is Tutsi

By Sarah Childress
Kigali, Rwanda

The man who outlawed ethnic hatred in this tiny African nation is running for re-election, just as a delicate peace is showing signs of strain.

In recent weeks, politicians lining up against President Paul Kagame have complained of threats and physical attack. According to the 2009 U.S. Human Rights Report, journalists who criticize the government have been arrested—a pattern that has escalated recently, journalists say. Grenades have exploded here in the capital, Kigali. And ethnic violence is creeping back.

The incidents reflect a growing tension in the country, a byproduct of the government's determination to prevent a reprise of the genocide here 16 years ago. In 1994, some 800,000 people—one-tenth of the population, most of them ethnic Tutsi—were killed by machetes and farm tools in violence that ended when Mr. Kagame and his guerrilla army captured Kigali.

Today, Rwanda is a rarity among African nations: an economic success. Under Mr. Kagame, growth reached 11% in 2008, making it one of the world's fastest growing nations before the global economic slump kicked in. Kigali's streets bustle with orderly commerce and are swept by cleaners in blue smocks. No beggars or prostitutes clog the sidewalks as in other African cities; the police round them up. The final Saturday of the month, Rwandans must join in a national clean-up day, tidying the area in which they live.

And in a remarkable attempt at social engineering, Rwandans are forbidden to say anything that might reignite hatred. Mr. Kagame's 2008 "genocide ideology" law is the heart of his nation-rebuilding strategy. It outlaws any dehumanizing behavior, including murder and hate speech, but also hard-to-define offenses such as "marginalizing," "boasting," "despising" or "stirring up ill feelings." Violators face up to 25 years in prison.

But memories are hard to erase. Some younger Rwandans point to next month, April—the month the genocide began, a period of national remembrance—as a time when the question of ethnicity again rises. Genocide is discussed in school, stirring questions about who is Hutu and who is Tutsi. "We want to know," said one 28-year-old student, a minority Tutsi, who said he hopes to become a pastor. "In your heart, you are always thinking that all Hutu are bad."

At the same time, Mr. Kagame, who is widely expected to win re-election in August, faces allegations that he's using the broad language of the genocide-ideology law—as well as intimidation—to rein in opponents.

Bernard Ntaganda, who registered an opposition party last year, the PS-Imberakuri, was summoned in December to a senate committee hearing because the government said it had received a tip that the party was "ethnically divisive" and may have violated the genocide-ideology law. Mr. Ntaganda has denied the charges, calling them politically motivated. The matter is pending before the senate.

Last month, another politician said she was attacked in front of a government office where she and a colleague had gone to collect documents to register her party. The politician, Victoire Ingabire, said in an interview she believes the government was behind the attack, in which she says her passport was stolen and her colleague beaten.

Getty Images

Top, two boys outside their mud shack last year as, in the background, new high-rises were being built in the Rwandan capital of Kigali. President Paul Kagame, above.

She has been interrogated by police about alleged ties to genocide perpetrators, and denies any link. Days after last month's attack, her colleague was arrested and accused of participating in the genocide. He has said he wasn't in the country then.

The government denies the harassment allegations. Spokeswoman Louise Mushikiwabo said she believes Ms. Ingabire and her colleague used divisive language, and the government has a responsibility to maintain unity. "These politicians, failing on substance, are looking for trouble. They are trying to bring this language that is banned, language that even by law in this country is not allowed, and see how far they can get with it," she said.

Through an aide, Mr. Kagame declined to be interviewed.

By outlawing hateful speech, Rwanda hopes to create generational change. "Give it 10 to 20 years and you will have a new crop of Rwandans" who don't consider themselves Hutu or Tutsi, said Tharcisse Karugarama, the justice minister. "Today if you see somebody and say, 'What's your tribe?' people look at you suspiciously. Today you could ... take them to court for inciting racial ideology," he said. The minister added: "It's an experiment in positive living."

Many Rwandans say the genocide-ideology law casts a chilling effect on daily life. "You're always afraid," said one middle-class woman and member of the majority Hutu ethnic group. She agreed to be interviewed on condition of anonymity at a quiet hotel. As is common among Rwandans when speaking about politics in public, she fell silent whenever a waiter came within earshot, underscoring widespread belief that restaurant staff are paid to report people's conversations to Rwandan intelligence officials.

In another interview, a businessman gestured toward a portrait of Mr. Kagame in the café where he sat, rather than speak the president's name aloud.

Ms. Mushikiwabo said it's "just ridiculous" to suggest that Rwandans are afraid of speaking out in public. "There's a fear that comes from nowhere that this law is

Please turn to next page

IN DEPTH

Above, a man and a woman after gathering water for their homes stand on the outskirts of the only golf course in Kigali. Below, a cross sits on top of the clothes of children two years and under who were killed in a section of a church in Nyamata. The compound and church held around 11,000 Rwandans, of whom only six survived.

Dominic Nahr for The Wall Street Journal

Mr. Kagame's 2008 'genocide ideology' law is the heart of his nation-rebuilding strategy. It outlaws any dehumanizing behavior, including murder and hate speech. But memories are hard to erase. Some Rwandans point to April—a period of national remembrance—as a time when the question of ethnicity again rises.

Continued from previous page

here to curtail people's views," she said. "There is no question that hate speech is difficult to regulate," she said, adding that she knows of no instances of the law's misuse.

The struggle with the past takes many forms. Murders of Tutsi genocide survivors have risen the past few years after a mid-decade decline, according to Ibuka, the genocide survivors' association. Reports of Hutu harassment of Tutsi more than doubled since last year, Ibuka said, to 99 incidents from 44 the year before. In 2008 and 2009, grenades were thrown at the genocide museum in Kigali, which is also a grave for victims.

And this month, French prosecutors arrested Agathe Habyarimana, the widow of the former president whose death triggered 1994's genocide, on a Rwandan international warrant. Mrs. Habyarimana is one of the top officials the Rwandan government would like to see tried in Kigali. Rwandan officials say she bears some responsibility for the genocide. She denies the charges.

Mrs. Habyarimana appeared before a French magistrate on March 2. She'll be summoned in the next few months to learn whether she will be extradited to Rwanda, according to her lawyer.

Mr. Kagame, 52 years old, is widely credited for rescuing a ruined country. He led the forces that ended Rwanda's genocide and has served as president for a decade. In that time, Rwanda became the envy of its struggling African neighbors.

The U.S., a major donor, extended $150 million in aid in 2009. Foreign investment, a trickle in 2003, soared to $120 million in 2008, the government says. Rwandan officials have estimated they will have signed more than $500 million in investment deals for 2009. "Our leadership is visionary and will do anything and everything to ensure that growth is not lost," said Clare Akamanzi of the Rwanda Development Bank.

Mr. Kagame, a member of the Tutsi minority, is himself shaped by Rwanda's ethnic conflicts. As a boy in 1960, he escaped with his family to neighboring Uganda when Hutus angry with the Tutsi aristocracy stormed from hill to hill, burning homes.

In Uganda, he secretly built a militia, the Rwandan Patriotic Front. In 1990, his militia attacked Rwanda, fueling civil war. Then, in April 1994, a plane carrying Rwanda's president was shot down by assailants whose identities have never been confirmed—and the slaughter of Tutsi began. Within 100 days, hundreds of thousands died.

In July 1994, Mr. Kagame's forces took the capital. He rose to the presidency in 2000. Challengers soon found themselves pushed aside. As the election in 2003 approached, Mr. Kagame's main rival was accused of "divisionism," or advocating one ethnicity over another. He was later arrested and convicted on corruption charges and attempting to incite violence, and sentenced to 15 years in prison. He has denied the charges; Mr. Kagame pardoned and released him in 2007.

The divisionism ban marked the start of the government's bid to eliminate hate speech.

Hutu and Tutsi share language and customs. And while Tutsi are stereotypically taller, the two have intermarried for so long that physical distinctions are often blurred. Their distrust has roots in colonial times a century or so ago, when Belgian colonizers favored the Tutsi and distributed ethnic-identity cards.

Despite the shared culture and Rwanda's effort to stamp out prejudice, deep sensitivity to differences remains. According to the young Tutsi student hoping to become a pastor, in one of his classes the teacher asked members of the genocide survivors' association (whose members are Tutsi) to raise their hands. Once students do so and identify their ethnicity, "There is now segregation," he said.

Another Tutsi student said he encourages younger Tutsi children orphaned in the genocide to be wary of Hutu. "I say, 'Beware, he might try to destroy you,'" the young man said.

In September 2008, Mr. Kagame's party won a parliamentary election with 79% of the vote, further cementing his leadership. A few smaller parties contested, with only minor support.

"We have many political parties, but we have no opposition," said Pascal Nyilibakwe of the League of Human Rights for the Great Lakes Region, a Kigali group focused on political issues. "Why vote?" he said. "We know the result beforehand."

As this August's vote approaches, myriad issues are becoming politicized. For instance, in 2008, the government decided to switch its official language to English from French.

It was partly a geopolitical move. Relations with France soured after the genocide because France had been an ally of the Hutu government at the time, and a probe by Rwanda's government found that the French government armed and helped train Hutu militias who were preparing for the genocide.

France has denied the allegations. Relations between Rwanda and France have since improved. On a recent visit to Kigali, French President Nicolas Sarkozy acknowledged "errors" by France during the genocide, while stopping short of apology.

Officially, the switch to English was pragmatic. Rwanda hopes to market itself as a business hub in East Africa, a mainly Anglophone region. But the switch to English has a side effect of blocking many Hutu—who grew up in a Francophone Rwanda—from good jobs. Many postings now require fluent English, including teaching and government positions. Most English speakers in Rwanda are Tutsi who grew up in exile or studied abroad.

Many Hutu are frustrated by a lack of opportunity. Despite economic growth, Rwanda remains poor. An estimated 80% of Rwandans are subsistence farmers, most of them Hutu.

In an echo of the past, the Hutu unease is fueling support among some for the brutal rebel group across the border in the Democratic Republic of Congo. That group, known by its French initials, FDLR, was founded by Hutus involved in the genocide.

"Some support the FDLR," said the woman being interviewed in the Kigali hotel. As a Hutu, she says, she condemns the group's abhorrent violence. But other people say, 'We've had enough,'" she said. "They say, 'If the RPF got the country by the gun, why not us?'"

—David Gauthier-Villars contributed to this report.

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Online today: See photos from Rwanda at **WSJ.com/World**

FROM PAGE ONE

China official warns of risk if yuan rises

Continued from first page
problem of high unemployment. He pointed out, however, that while the U.S. has a jobless rate of more than 9%, compared with China's urban jobless rate of slightly more than 4%, the absolute number of China's jobless is far higher because of its much larger population. China makes no secret of the fact that its currency policy is designed partly to protect jobs in the export sector and thus maintain social stability.

Within Beijing's government bureaucracy, the thinking on exchange rates isn't monolithic. The Chinese Commerce Ministry is under particular pressure from the exporter lobby to defend their interests, and Mr. Zhong's comments reflect that political reality. Labor-intensive exporters have the most to lose from currency appreciation, which erodes their competitiveness.

Mr. Zhong said China is willing to purchase more American goods and take other steps to reduce its trade surplus with the U.S.

But he urged the U.S. to find a solution at home rather than put pressure on China. He noted that China found ways to cope when tens of millions of workers were thrown into unemployment in the late 1990s when the government shuttered unprofitable state-run enterprises. "When we have a problem, we usually look for the causes internally. However, the U.S. tends to look for reasons from the outside. There's a cultural difference between our two nations," Mr. Zhong said.

As an example of these differences, he said that more than a decade ago when he was chairman of a Chinese textile trading company he noticed that when U.S. business executives visited China "they said they must fly first class and stay at five-star hotels." He claimed he never awarded himself such luxuries. "I wanted to save costs and ease pressures within the company starting from the position of chairman," he said.

Victoria Ruan/The Wall Street Journal

Vice Commerce Minister Zhong Shan

Mr. Zhong warned that a rise in the value of China's export products could also accelerate inflation in the U.S. and the rest of the world.

However, he carefully avoided saying that China would keep the currency regime entirely unchanged. "We are willing to have discussions with the U.S. on the currency issue. There's nothing that can't be discussed between China and the U.S. But if you pressure us to do something, that's not in line with China's culture," Mr. Zhong said.

Premier Wen Jiabao, at a news conference on Sunday, argued that the yuan isn't undervalued.

Mr. Zhong is scheduled to leave Saturday for the U.S., where he will meet U.S. representatives including congressmen to seek ways to improve the bilateral trade relationship amid rising political and economic tensions.

Earlier this week, Commerce Ministry's spokesman Yao Jian said the ministry has been examining the potential impact of a change in the yuan's value on exporters. Domestic media have reported other ministries are conducting similar investigations, dubbed "stress tests." However, economists say this shouldn't be interpreted as a sign Beijing is laying the groundwork for a rapid rise in the yuan in coming months, and some said China could in fact use the studies to argue against an appreciation of the currency.

Asked about a growing concern among many multinational companies about a worsening business environment in China, Mr. Zhong said China remains one of the most attractive destinations in the world for foreign investment and is determined to open its market further.

—Victoria Ruan contributed to this article.

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Geely says talks with Ford on Volvo hit a snag

Continued from first page
said between speeches at Beijing Geely University. "We will put as much effort as we can. I hope the deal can be done."

Pressed to explain what "issues" Ford is facing in connection with the Volvo talks, Mr. Li said he doesn't know the precise nature of the problems and declined to elaborate.

Geely, one of China's biggest privately owned auto makers, is financing a roughly $2 billon bid for Volvo with a combination of cash, bank loans and funds from a small number of investors.

John Gardiner, a Ford spokesman, said in an email message that Ford's "position hasn't changed since 23 December last year. As Ford and Geely said at the time—and as we've continued to say—we expect to sign a sale agreement in the first quarter." Mr. Gardiner also referred to a statement made earlier this week by Ford Chief Executive Alan Mulally that the process was still progressing.

The apparent delay in the Geely-Ford talks over Volvo follows the collapse of a deal by **General Motors** Co. last month to sell its Hummer brand to a Chinese manufacturer, **Sichuan Tengzhong Heavy Industrial Machinery**.

Beijing Automotive Industry Holdings Co. was rejected by GM last year as a final bidder for the Detroit auto maker's Opel European unit. According to people involved in those talks, GM didn't pick Beijing Auto because it didn't want to create a future competitor in China, which surpassed the U.S. last year to become the world's biggest car market.

Ford said in December that the Dearborn, Mich.-based company moved a step closer to offloading Volvo after settling "substantial commercial terms" of the proposed sale. It had said the company expected a definitive agreement to be signed by the end of March and the sale finished by midyear.

At that point, financing of the deal by Geely had yet to be completed.

On Thursday, Mr. Li said his company had indeed encountered difficulties earlier in making financial arrangements for the deal but said the problems were resolved quickly.

The Geely founder, who is also its chief executive, said an unspecified number of investors withdrew from the deal at one point. They "were not so willing to be part of the move, but other banks were very positive and jumped in to fill the gap. We made a quick and effective adjustment in this aspect."

In November, a person close to Geely told The Wall Street Journal that the auto maker, based in the eastern city of Hangzhou, had developed a turnaround plan for Volvo that would aim to sell nearly one million vehicles a year, up sharply from the about 400,000 vehicles Volvo sold each year in recent years. That plan centered on China but also set ambitious goals for Volvo's traditional markets of Europe and North America.

Under that plan, the person said, Geely would build a new Volvo plant in China capable of producing 300,000 vehicles a year as it looked to draw on China's market potential and inexpensive labor to raise sales and cut costs.

Geely also would set up a Volvo tech center in China to help Volvo speed product development and cut research-and-development costs significantly by tapping Chinese engineers for basic engineering tasks.

On Thursday, Mr. Li said it was difficult to discuss Geely's turnaround plans for the Swedish brand in detail before sealing the deal. He acknowledged, however, that the Chinese auto maker would definitely consider building a Volvo plant in China and noted that Beijing and Tianjin were his "top choices" for factory sites.

"Where to build the plant is not that important. China is huge, and we can choose freely to site a small Volvo plant anywhere," he said.

—Gao Sen contributed to this article.

Greece says it isn't seeking help from the EU or IMF

Continued from first page
leaders at their summit next week agree to a package of standby loans to restore confidence in the country's debt. A Greek Finance Ministry official emphasized that Greece hasn't officially sought financial support from the EU, reiterating that the country has only requested political support from its partners.

The news unsettled European financial markets, where the euro had been regaining lost ground on the impression that Greece and euro-zone countries were nearing an agreement on at least provisional bailout package. The costs of insuring Greek government debt against default rose and the euro-zone currency dropped to around 1.3670 from 1.3730 immediately after the news before steadying.

In Athens, Greece saw more dispiriting news with fresh economic data showing the country's unemployment rate jumping to a five-year high of 10.3% in the fourth quarter. The country also braced for more strikes, which have unfolded as workers protest austerity measures. The union of power-sector workers said it will proceed with rolling 48-hour strikes from March 24, but also said it was open to talks with the Greek government.

On Wednesday night, the union ended a two-day strike that led to the closing of seven power plants around Greece.

Meanwhile, the head of the Economic Advisory Panel to the German government said if Greece needs help to refinance debts, it should ask the IMF, not the EU. Wolfgang Franz, also director of the Mannheim-based ZEW research institute, said that not only does Greece have the right to such aid, but the IMF also has the relevant experience to administer it. "Greece is a member of the IMF, and the IMF has the necessary expertise," Mr. Franz said.

"I would advise the [German] chancellor to wait first to see if Greece's deficit-reduction plan is bringing results, and [if not] then to let the International Monetary Fund address the problem," Mr. Franz said. "I can't understand the notion that an intervention by the IMF is some kind of proof that Europeans aren't able to take care of their affairs."

Mr. Papandreou said he hopes for backing from EU leaders on a standby package at their summit next week, but he didn't specify the size of the package. This would provide Greece with breathing space to carry out reforms, he added. "When you have that instrument in place that would be enough to tell the market 'hands off, no speculation,' " he told journalists after speaking in the European Parliament.

The news unsettled markets, where the euro had been regaining ground on the impression Greece and euro-zone countries were nearing accord on a bailout package.

The prime minister's plea adds more pressure for a response from euro-zone countries, which until now had explained inaction on Greece because Athens hasn't asked for help. The request now ups the ante for the EU to agree on a package that would reduce borrowing premiums demanded by investors.

Earlier Thursday, a senior Greek official said the country may seek IMF aid over the April 2-4 Easter weekend because Athens holds out little hope for aid next week from the EU. Disappointed that another round of meetings by senior EU and euro-group officials this week failed to produce concrete steps to help Athens in its scramble for funds, the Greek government is now looking with scant optimism toward an EU summit next week, the official said.

"We still want a solution within the European Union, but it doesn't look good," the official said. "If there is no clear support at the EU summit on March 25, we will have to decide where to go next," he said. "There are a number of scenarios on the table, but the most prominent one is the IMF."

Euro-zone governments have resisted suggestions that the IMF provide standby arrangements, preferring a solution within the euro zone.

Many analysts say IMF help would be seen by euro-zone institutions as an embarrassing intrusion.

Athens is hoping for at least a provisional EU support package to regain market confidence and reduce the high premiums charged for borrowing, which Athens worries would wipe out the positive effects of the budget cuts and tax increases that have already been imposed.

Greece had been planning to raise €10 billion ($13.74 billion) through one or two bond sales this month, but the senior Greek official said such plans are now probably on hold until after the EU summit. "One thing is for sure," said the senior official. "We will not go to the market again with these barbaric interest rates because this is a recipe for bankruptcy."

Greece's debt crisis—the government last year admitted to a budget deficit of 12.7% of gross domestic product, triple the EU limit—has spooked global markets in recent months, battering the euro because of worries that Athens might default and the contagion could spread to other indebted euro-zone economies such as Spain and Portugal.

Despite Greece's series of painful budget-cutting tax increases and spending cuts that have caused mass protests, investors demand a yield of about three percentage points more for Greek 10-year bonds than for German bunds.

—Geoffrey T. Smith in Frankfurt and Patrick McGroarty in Berlin contributed to this article.

As of 12 p.m. ET **Euro** 1.3603 ▼ 1.00% **Yen/US$** ¥90.44 ▲ 0.02% **Yen/A$** ¥83.19 ▼ 0.25% **Oil** 82.01 ▼ 1.11% **Gold** 1121.60 ▼ 0.21% **10-year Treasury** ▼ 7/32 yield 3.670% **3-month Libor** 0.27100

FedEx profit soared in quarter on rising global trade volume
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Friday - Sunday, March 19 - 21, 2010 THE WALL STREET JOURNAL. asia.WSJ.com

Rusal listing breaks the ice

Stock is down in Hong Kong, but executive says other Russian firms look to follow its lead

By Jonathan Cheng

HONG KONG—The Hong Kong listing of Russian aluminum producer UC **Rusal** Ltd. opens up a compelling option for Russian companies that have traditionally sought to go public in London, Rusal's deputy chief executive said.

"Every Russian company looking at the equity markets now has a choice, where before they only had London," Artem Volynets said in an interview Thursday. Seeking a Hong Kong listing, he added, "is a no-brainer decision" for Russian resource and raw-materials companies, pointing to Hong Kong's deep liquidity, its proximity to China's economic growth and the promise of richer valuations.

Mr. Volynets also touched on Rusal's efforts to pare down its $12.9 billion debt load. He said Rusal was considering ways to refinance the $3.3 billion portion of the debt that is due by the end of 2013. One tentative idea is to issue convertible bonds, though Mr. Volynets said little work has been done on that front. Rusal used $2.1 billion of the proceeds from its Hong Kong initial public offering to pay down debt.

Bloomberg News

Rusal's Artem Volynets: Russian companies now have a choice for IPO listings.

The path to Rusal's Hong Kong listing was far from smooth. The company's approval hearings were held up by concerns over the heavy debt obligations, as well as corporate-governance questions surrounding Chairman and Chief ExecutiveOleg Deripaska.

After several false starts, securities regulators signed off on the listing but barred individual investors from subscribing to the deal.

Rusal's stock has faltered since it was floated on Jan. 27 at 10.08 Hong Kong dollars (US$1.30) per share. On the first day of trading, shares fell 11%and are now down almost 14% since going public. Rusal shares closed down 0.3% at HK$8.69 Thursday.

Mr. Volynets attributed the share-price weakness to market disappointment at recent earnings figures from Rusal's rivals, as well as concern about China's efforts to slow down economic growth. He conceded that Rusal's trading volumes had been underwhelming but said investors will have a fresh look after Rusal announces results in the coming weeks.

Despite the company's rocky path to listing in Hong Kong, Mr. Volynets said he was fielding calls from some of Rusal's peers, looking to follow the company's lead. He said the Rusal listing was particularly challenging because the company was working on a tight timetable, and because it was the first Russian company to list in Hong Kong.

"The first company will always have to go through more [trouble]," Mr. Volynets said. "London would

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Scrap metal's lament: Supply is scarce

By Liam Pleven

In Connersville, Ind., scrap merchant Price Glazer is struggling to find enough bits and pieces of metal to keep his customers happy.

A shortage of iron and steel scrap has sent prices soaring 70% in a year, as recession-hit consumers kept their old appliances longer and manufacturers slowed production, meaning fewer offcuts, or scrap pieces, were created. At the same time, demand from China and other emerging markets is growing.

Two years ago, as many as 300 people a day would stop by Mr. Glazer's **Integrity Metals** to drop off scrap. Now he sees 100 or fewer. Integrity Metals pays $260 a ton for crushed car bodies, up from $175 in August.

"Just about everything off farms and everywhere else has been picked up," Mr. Glazer said. "Right now, the price of scrap is high because the supply is so limited."

On Wednesday, the U.S. government reported its index of iron and steel scrap prices rose 3.4% in February, after a 17.3% gain in January.

"One way or another, we have used up our supply of scrap and, in a recession, I find that striking," said Donald Coxe, a longtime analyst of the metal markets and strategy adviser to BMO Financial.

His conclusion: "China is stronger than people think." U.S. demand also may be stronger than people believe, he said.

Chris Smith for The Wall Street Journal

Price Glazer says his Integrity Metals, in Connersville, Ind., is paying $260 a ton for crushed car bodies, up from $175 in August, due to lack of supply.

U.S. companies exported 3.3% more iron and steel waste and scrap last year than they did in 2008, despite the global financial crisis, according to U.S. International Trade Commission data. Exports have more than doubled since 2003.

As the U.S. economy picks up speed, demand from American companies for scrap also is likely to rise, possibly pushing prices even higher. Eventually, that rise in activity will create more scrap, helping feed the demand.

Aside from China, Turkey and Taiwan also are increasing scrap purchases, said Dan DiMicco, chief executive of **Nucor** Corp., a steelmaker based in Charlotte, N.C., that is a major consumer of scrap metal and also owns a scrap operation.

The scrap-price gains are in some cases greater than the underlying metals.

The cost of brass from car radia-

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SEC sought to soften curbs on analysts from '03 pact

By Susanne Craig And Kara Scannell

The U.S. Securities and Exchange Commission joined 12 Wall Street firms in seeking to scrap a portion of a landmark 2003 deal that put curbs on stock analysts, a move that could heighten the debate about an overhaul of the financial-regulatory system.

U.S. District Judge William H. Pauley III in New York rejected a proposed change to the legal settlement put in place to end abuses on Wall Street. The proposal would have allowed employees in investment-banking and research departments at Wall Street firms to "communicate with each other...outside of the presence" of lawyers or compliance-department officials responsible for policing employee conduct, an activity prohibited by the settlement.

The settlement came soon after the bursting of the technology-stock bubble, which was caused in part by excessively optimistic reports from Wall Street analysts that sent stocks soaring. After the bust, it was revealed that many of those analysts were touting stocks at the behest of their firms' investment-banking operations, which were profiting from initial public offerings. One solution to the conflict of interest was separating the analysts from the investment-banking operations.

"The parties' proposed modification would deconstruct the firewall between research analysts and investment bankers erected by the parties when they settled these actions," Judge Pauley wrote in his ruling Monday. Approving the request by the SEC and securities firms "would be inconsistent with" the settlement "and contrary to the public interest."

SEC spokesman John Nester said the agency believes there are other restrictions in place that produce the same effect, such as keeping analysts and bankers physically separate and prohibiting bankers from influencing analyst coverage decisions. In a letter requesting the change, the SEC and banks had stated "it is appropriate to eliminate" certain provisions because the conduct is now covered by new rules and regulations.

Securities firms covered by the settlement—including **Goldman Sachs Group** Inc., **Morgan Stanley** and the Merrill Lynch unit of **Bank of America** Corp.—declined to comment.

The attempt to lift the curbs comes amid discussion over the future of U.S. financial regulation. In the wake of the financial crisis, which many lawmakers contend was exacerbated by lax government

Please turn to page 21

China Mobile's profit growth slows

Telecom company will cut capital spending to reduce costs after 2009 earnings rose 2.3%, decelerating from 30%

By Lorraine Luk

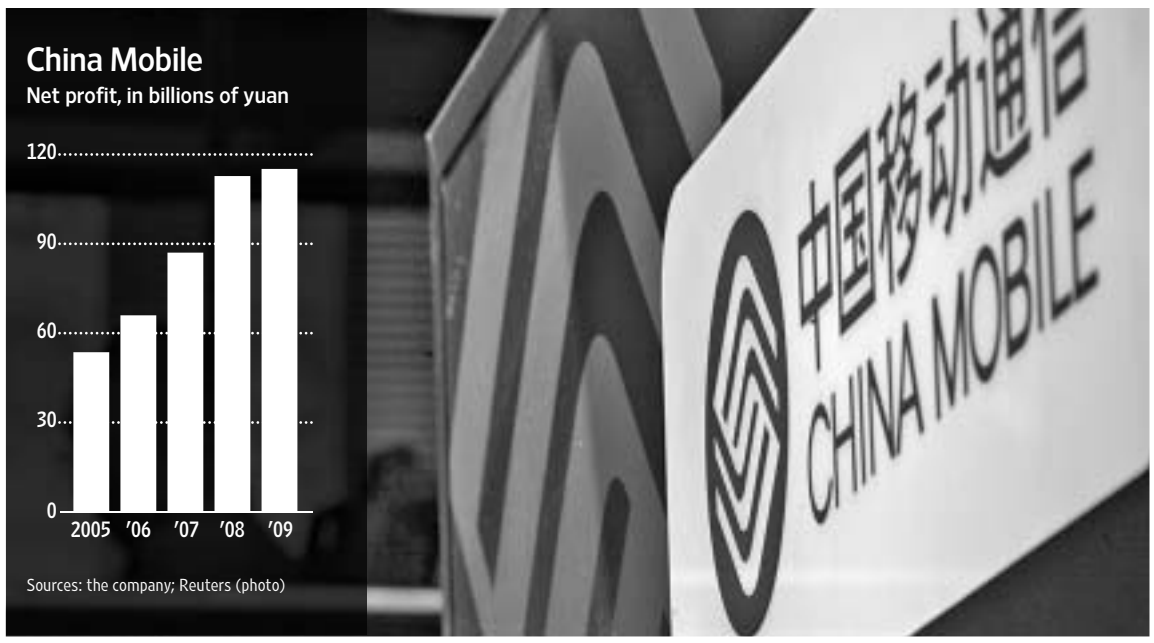
HONG KONG—**China Mobile** Ltd., the world's biggest mobile operator by subscribers, Thursday reported a sharp slowdown in profit growth for 2009 and said it plans to cut capital spending in the next three years to reduce costs and maintain profitability.

Earnings momentum for China Mobile has been slowing because of increasing competition from rivals China Unicom (Hong Kong) Ltd. and China Telecom Corp. Higher marketing and depreciation expenses for its third-generation mobile services are also likely to continue to weigh on its profitability this year, analysts say.

Chief Financial Officer Xue Taohai acknowledged pressure on the company's margins and revenue as the telecom operator adds more low-income subscribers in rural areas.

After the commercial launch of its 3G mobile service in January 2009, China Mobile has been striving to improve its network coverage and handset quality to add subscribers.

China Mobile said it still sees vast growth potential in the domestic market, driven by rising rural income and urbanization. The company will speed up the penetration of mobile Internet services such as reading, video and music, it said.



Chairman and Chief Executive Wang Jianzhou also said the mobile carrier hopes to conclude a deal with **Apple** Inc. to offer iPhones soon. He said he hopes Apple can add China's homegrown 3G technology to iPhones. The company is also interested in launching Apple's iPad tablet computer in China, he said. China Unicom is currently the only mainland-Chinese carrier selling the iPhone.

China Mobile reported 2009 net profit rose 2.3% to 115.2 billion yuan ($16.88 billion) from 112.63 billion yuan a year earlier. The growth rate was sharply lower than the 30% it saw in 2008. Full-year revenue rose 9.8% to 452.1 billion yuan.

Its net profit was slightly higher than the average 114.88 billion-yuan forecast of 11 analysts polled by Dow Jones Newswires.

China Mobile said it plans to cut capital expenditures to 123 billion yuan this year from 129.4 billion yuan in 2009. It will lower its capital spending further to 98 billion yuan in 2011 and 80.4 billion yuan in 2012, as it has finished most of the construction of its third-generation network.

China Mobile has high hopes for its 3G mobile business for future growth and said it will spend 15.5 billion yuan on various handset subsidies this year, up from 11.7 billion yuan in 2009—a move analysts say could eat into future profitability.

Mr. Wang said the company aims to add more than 10 million 3G subscribers this year. At the end of January, China Mobile had 3.9 million 3G subscribers.

China Mobile added 65 million subscribers last year, including both second-generation, or 2G, and 3G subscribers, bringing its total subscriber base to 522.28 million at the end of December.

China Mobile's average revenue per user—a key industry barometer to determine the long-term growth rate of telecom companies—slipped to 77 yuan last year from 83 yuan a year earlier.

Apart from organic growth, China Mobile also wanst to expand overseas.

"The company will continue to look for investment opportunities in the overseas telecommunications sector, but we have no specific target at this moment," said Mr. Wang.

The comments came after China Mobile said earlier this month it plans to buy a 20% stake in Shanghai Pudong Development Bank Co. for 39.8 billion yuan as the mobile operator seeks to expand into mobile financial services.

Stanley Ho disputes report alleging link to triads

By Jonathan Cheng

Macau gambling tycoon Stanley Ho said Thursday that there was "absolutely no foundation in any suggestion" that he is associated with Macau's triads, or organized crime bodies.

In a statement issued through his personal secretary, Mr. Ho said he hadn't seen a regulatory report filed by gambling officials at New Jersey's Department of Gaming Enforcement, which recommended to the U.S. state's casino commission that Mr. Ho and his daughter Pansy Ho be deemed "unsuitable" business partners, citing alleged links between members of the Ho family and organized crime.

MGM Mirage disclosed the report's existence nearly a year ago, but it was kept confidential until a hearing Wednesday in the U.S. before the casino commission.

Ms. Ho declined to comment on the report issued by the New Jersey regulatory authority and any decision rendered by **MGM Mirage** on its stake holding, according to a spokeswoman.

MGM's CEO defended the company's partnership in Macau with Mr. Ho's daughter, Pansy Ho.

MGM Mirage is in partnership with Ms. Ho in the Chinese city through the MGM Grand Macau.

Mr. Ho has never faced charges of any kind, and has disputed allegations about such connections. Ms. Ho has said she is independent of her father, despite their business ties.

The New Jersey casino enforcement agency had filed the report to the state's casino commission.

The commission had planned to consider the findings and decide whether to revoke the New Jersey license of Las Vegas-based MGM Mirage, which owns a 50% stake in Atlantic City's Borgata Hotel Casino & Spa.

Instead, MGM Mirage worked out a settlement with the enforcement division, which is part of the state attorney general's office, to place its Borgata stake in a trust, in preparation for selling it.

The commission cleared the plan Wednesday, paving the way for MGM Mirage to exit the state.

According to the report, a private-investigation firm employed by MGM Mirage concluded that Mr. Ho was "linked closely" to 14K and Sun Yee On, two major Macau organized crime groups, and also had links to Russian organized crime and North Korean authorities.

The report says MGM Mirage was so determined to gain a foothold in Macau's hot casino market that it was willing to take on a partner that risked attracting regulatory scrutiny in the U.S.

MGM Mirage Chief Executive Jim Murren said in a statement Wednesday that New Jersey didn't submit evidence that Ms. Ho "has engaged in any wrongdoing or been accused of any illegal activity."

Mr. Murren also defended the company's partnership with her.

Associated Press

Stanley Ho

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Corrections & Amplifications

Bank of Japan Gov. Masaaki Shirakawa holds a news conference after every policy meeting. A photo caption accompanying a page-one article Thursday incorrectly said he holds news conferences annually.

FedEx cites strengthening recovery

Parcel-delivery firm doubles profit amid gains in global shipping; CEO says housing and credit obstacles remain

By Jennifer Levitz And Nathan Becker

Package-delivery company **FedEx** Corp. said Thursday that a global economic recovery is broadening amid international-shipping gains.

FedEx, considered a barometer of the broad economy, reported that its fiscal third-quarter earnings more than doubled compared with a year earlier.

A recovery "is well under way," said Frederick W. Smith, the company's chairman, president and chief executive officer. Improvements in the U.S. economy are being led by manufacturing and business spending, he added.

Mr. Smith cautioned, however, that even as the economy brightens, "housing could remain a problem." Also, while credit conditions are improving, "bank credit is still not flowing freely," he said.

The Memphis-based company said daily volume in international air service rose 18% in the three months ended Feb. 28, led by Asian exports—which typically include clothes, furniture and other items—to the U.S.

"Though consumers remain cautious, U.S. retail sales are improving," Mr. Smith said. "The increased consumer spending that began in late 2009 continues into this year."

Bloomberg News

FedEx plans to make additional investments in Boeing 777 aircraft. Above, Boeing planes at FedEx's hub in Memphis.

Air-freight service is booming at FedEx and rival **United Parcel Service** Inc. amid a reduction in space on container ships that travel between Asia and the U.S. Containership carriers have mothballed vessels to combat historic losses incurred during 2009.

And as more packages come in by air from overseas to FedEx's global hub in Memphis, that in turn helps to boost the company's U.S. shipping service as the parcels are hauled to homes and businesses around the nation. Daily volume at FedEx Ground rose 5% in its fiscal third quarter, the company said.

In a sign of optimism, FedEx now plans to spend more on capital improvements in this fiscal year, which ends on May 31, than it had previously predicted. The company's capital-spending forecast is $2.9 billion, up from $2.6 billion, with additional investments in Boeing 777 aircraft.

Also, FedEx, as did UPS last month, talked about being strict about pushing through price increases in the coming months—after offering discounts during the recession. Kevin Sterling, a transportation analyst at BB & T Capital Markets, said the companies' price-increase plans offer "another sign that demand is there."

UPS and FedEx are considered bellwethers for the global economy because the companies ship packages for nearly every industry, offering a look at the health of global commerce.

FedEx also forecast fourth-quarter earnings of $1.17 to $1.37 a share. Analysts surveyed by Thomson Reuters expected $1.26 on average. The company also increased its prediction for the current fiscal year to a range of $3.60 to $3.80 a share. In December, FedEx had predicted $3.45 to $3.75 a share.

Meanwhile, FedEx said it will reinstate employee-compensation programs that were frozen as part of $3 billion in cost cuts at the company last year.

Shares in FedEx were up 41 cents at $90.21 on the New York Stock Exchange on Thursday afternoon. The company's stock price has more than doubled in the past year.

FedEx said profit rose to $239 million, or 76 cents a share, for the fiscal third quarter, from $97 million, or 31 cents a share, in the year-earlier period. Revenue increased 6.9% to $8.7 billion.

Mr. Smith said FedEx expects a midsingle-digit percentage increase in U.S. industrial production in 2011, "in contrast to the decline in the past two fiscal years."

Israel's Teva to buy German generics firm

By Eyk Henning And Thomas Gryta

FRANKFURT—**Teva Pharmaceutical** Industries Ltd. emerged Thursday as the winner of an auction to acquire Germany's **Ratiopharm Group** International for about $5 billion, catapulting the Israeli drug maker to the top of the European generic-drug market.

Teva is already the dominant player in generics in the North America, its strongest business, but has lagged in the huge European market.

Teva beat out Iceland's **Actavis** Group and U.S. drug giant **Pfizer** Inc. in buying Ratiopharma, which is being sold by the family of late German billionaire Adolf Merckle, who died in an apparent suicide last year as financial woes mounted in his business empire.

Shlomo Yanai, Teva's chief executive, said, "This transaction is perfectly aligned with our long-term strategy in which Europe is an important pillar and growth driver."

The deal, Teva's biggest since buying U.S.-based Barr Pharmaceuticals Inc. for $7.46 billion in 2008, is expected to close by year-end.

Teva expects the deal to add immediately to adjusted earnings per share and boost its bottom-line earnings within three quarters.

The company projected synergies of at least $400 million, which it expects to realize over three years.

In early afternoon trading Thursday in New York, shares of Teva were up 3.5% to $62.06.

Pfizer's interest in Ratiopharm had been widely known, but the bidding may have gone beyond its price range, according to people familiar with the matter. J.P. Morgan analyst Chris Schott said it was positive to see Pfizer "exercise financial discipline," as it would be harder for the company to get the same financial benefits from such a deal, when compared to Teva.

Nonetheless, Pfizer continues to be interested in expanding its generic operations and could make a deal for another regional company, including German pharmaceutical company **Stada Arzneimittel** AG, sources said.

A Pfizer spokeswoman declined to comment on the Stada speculation but said the company would continue to explore options to further its growth strategy with a focus on "making disciplined financial decisions."

Reuters

Teva's Shlomo Yanai, right, with Hans-Joachim Ziems of the Merkel family's VEM Holding, on Thursday, when the deal for nearly $5 billion was announced.

Mr. Yanai denied that Teva may have paid too much for Ratiopharm, saying it was the "right price." J.P. Morgan's Mr. Schott noted that the deal's multiple, roughly 2.2 to 2.3 times sales, is below the historic level of 3 to 4 times sales in generic deals. That price likely reflects the challenges of the German generic market, Mr. Schott said.

After the deal, Teva would be the second-largest company in the German market, Mr. Yanai said, and the largest in 10 other European countries.

"This is the reason that we were so interested in acquiring Ratiopharm," he said.

The company aims to raise its sales in Europe to $9.2 billion in 2015, from around $3.3 billion in 2009.

Including Ratiopharm on a proforma basis, Teva reached $5.2 billion in sales in Europe in 2009 and $16.2 billion world-wide.

Teva's Chief Financial Officer Eyal Desheh said the company would use $3 billion from its cash reserves and $2 billion from credit lines to pay for the deal. The company's financial leverage will return to pre-deal levels in only two or three quarters because of "continued strong cash flow," he said.

Mr. Yanai said there might be a "small amount of divestment" needed in order to satisfy U.S. antitrust concerns and that it would talk with the U.S. Federal Trade Commission about the deal.

Major job reductions aren't expected under Teva. At locations of companies recently acquired by Teva, like in Spain, Hungary and Czech Republic, some capacity was even expanded.

Roche intends to forge ahead on cancer treatments

By Julia Mengewein

Roche Holding AG expects to bolster its firm foothold in cancer treatments and said Thursday that several of the experimental drugs in its pipeline have blockbuster potential if they make it to market.

"Roche is uniquely positioned to deliver sustainable, long-term growth," Chief Executive Severin Schwan said in a statement ahead of the Swiss drug maker's investor day in New York.

While increasing its cancer portfolio, Roche aims to expand into other fields of treatment, such as metabolism, inflammation and diseases of the central-nervous system. It plans to start a late-stage trial this year of its RG1678 drug to treat symptoms of schizophrenia.

The diabetes drug taspoglutide is developing according to plan and further data about the drug will be published during 2010, Roche said. The company also said that its cholesterol drug dalcetrapib could reach annual peak sales of more than 5 billion Swiss francs, or more than $4.72 billion. Roche, however, put the "probability of technical success" at below 50% for this drug.

According to slides at Thursday's investor day, the company said that experimental drugs such as diabetes drug aleglitazar, multiple-sclerosis drug ocrelizumab or schizophrenia treatment GlyT-1 inhibitor could reach annual peak sales of over 2 billion Swiss francs. Ocrelizumab programs for lupus and rheumatoid arthritis were suspended recently because of safety concerns.

In the cardiovascular area, Roche highlighted two drug candidates, aleglitazar, for which late-stage trials began in the first quarter and dalcetrapib, for which Roche is enrolling patients in a late-stage trial.

CORPORATE NEWS

McLaren plans sports-car lineup

By Jonathan Buck

WOKING, England—The most successful team in Formula One motor racing is gearing up to challenge sports-car makers with its own high-performance vehicles for the road in a move it hopes will secure its long-term future.

McLaren Group, which encompasses the Vodafone McLaren Mercedes Formula One racing team, on Thursday formally launched McLaren Automotive and unveiled its first model that it plans to start selling in spring 2011 through a dedicated global retail network.

The company's previous street models have been supercars like the Mercedes-Benz SLR McLaren, which starts at £300,000 ($459,000), but its new range will be roughly half that price and will compete for customers with **Fiat** SpA's Ferrari, **Porsche Automobil Holding** SE, **Volkswagen** AG's Lamborghini and Bentley, and Aston Martin.

Ron Dennis, chairman of McLaren Group and until last year principal of the McLaren F1 racing team, told reporters at the futuristic McLaren Technology Centre in Woking, about 45 kilometers southwest of London, that a move into sports cars was a logical and essential step for the company.

Associated Press

Formula One drivers Lewis Hamilton and Jenson Button unveil an MP4-12C., the first car in a new range by McLaren.

The first car in production will be the McLaren MP4-12C, a two-seat midengine model, whose price will start at £125,000.

At the same time it is gearing up its new division, McLaren is negotiating to sell 48% of the company for about £250 million to a strategic investor. Mr. Dennis declined to identify the prospective buyer.

Mr. Dennis, **Bahraini Mumtalakat Holding** Co. and **Tag Group**, a Luxembourg-based holding company controlled by **Mansour Ojjeh**, will retain control of 52% of the company. German car maker **Daimler** AG, maker of Mercedes, has been reducing its shareholding for a couple of years and will exit McLaren altogether.

McLaren expects to sell about 1,000 cars in its first year and customers face a waiting list of about a year, said Mr. Dennis. The company said it has expressions of intent from 1,600 prospective buyers.

Yukos officials gain in effort to get payment from Rosneft

By Guy Chazan

Managers of bankrupt oil giant OAO Yukos have won injunctions in U.S. and British courts seeking the seizure of property from Russian oil major OAO **Rosneft**—a sign that Yukos's legal battle against the Russian state is far from over.

The injunctions were part of efforts to enforce a ruling by a Dutch court last year that ordered Rosneft to repay a $389 million debt, plus interest and penalties, to Yukos Capital S.a.r.l., a liability the company took on when it acquired Yukos's oil-producing assets in a government auction in 2004.

Rosneft said the decisions have had no effect on its operations and that it was continuing to meet its export commitments. It said it would appeal both rulings.

But one person familiar with a company that trades with Rosneft said the courts' actions were having an effect. "It's made it more complicated to pay them for exports," he said. A Yukos spokeswoman declined to comment.

The Yukos Capital cases are part of legal challenges being waged by Yukos, which was destroyed in a Kremlin campaign the company said was politically motivated. Russian authorities have consistently denied this charge. Former managers of Yukos have taken the Russian government to the European Court of Human Rights and are seeking a record $98 billion in compensation.

Few analysts expect the court to award Yukos anything close to that amount, even if it wins. But the company's latest court victories show its legal struggle could be gaining traction in some jurisdictions. That is potentially embarrassing for the Kremlin and Rosneft, Russia's largest oil producer.

Once Russia's largest oil major, Yukos was laid low by back-tax claims totaling tens of billions of dollars and saw its assets sold off, largely to state-controlled companies like Rosneft.

The attack on Yukos was designed to head off the political ambitions of Mikhail Khodorkovsky, the billionaire businessman who was Yukos's main shareholder and chief executive, according to current and former Russian officials. Mr. Khodorkovsky is serving an eight-year prison term for fraud and tax evasion, and is on trial in Moscow on new charges of fraud and embezzlement that could further extend his sentence. Russian government officials have defended their campaign against Yukos, likening it to prosecutions of major corporate frauds in the West.

In a statement, Rosneft said Yukos Capital had sued Rosneft in a federal court in New York state in February and won a temporary injunction that stopped the company making and receiving payments. Rosneft later managed to lift the ban. In a hearing on March 17, the court said it had no jurisdiction to rule in the case unless Rosneft had assets in the state of New York and gave Yukos Capital 60 days to find them—otherwise the case would be dropped, Rosneft said. The company also said Yukos Capital had won an injunction in a London court on March 11th freezing Rosneft assets in England and Wales.

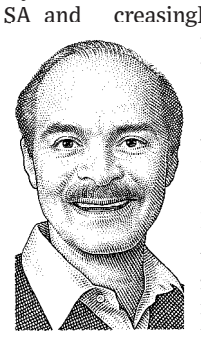
Unilever's Banga quits, adding to departures

By Paul Sonne

LONDON—Global consumer goods giant **Unilever** PLC on Thursday announced the resignation of top executive Vindi Banga, the latest in a series of high-level executive departures from the company since Paul Polman took over as CEO a little over a year ago.

Mr. Banga's resignation, after a 33-year career at Unilever, comes on the heels of other notable departures at the company, which makes Dove soap, Lipton tea and Slim Fast diet shakes, among other products. Chief financial officer Jim Lawrence, chief marketing officer Simon Clift and Ben & Jerry's Ice Cream CEO Walt Freese have all decided to move on in recent months.

Mr. Polman, who previously held top jobs at rivals Nestlé SA and Procter & Gamble Co., became Unilever's first CEO to come from outside the company's internal ranks when he took over more than a year ago. A management shake-up was expected in the wake of his arrival, particularly as both Mr. Banga and Mr. Lawrence were seen as top contenders for the CEO post.


Vindi Banga

"I will do whatever I can, within reason, to ensure they stay," Mr. Polman said of the internal CEO candidates in September 2008.

Mr. Banga, who had been the company's president for global foods, home and personal care, said in an interview that he felt it was a good moment to depart, having completed a reorganization of Unilever's sprawling global bureaucracy that now allows the company to more efficiently drive innovations through its vast operations. Leaving now, at age 55, he added, gives him a decade or more to tackle the next challenge; he declined to say what he is doing next.

The shuffle at the top of the Anglo-Dutch consumer goods maker comes amid a broader push to streamline the management as part of an ongoing bid to shed Unilever's reputation for being slow-moving and bureaucratic. First spearheaded by former chief executive Patrick Cescau, the initiative has gathered speed under Mr. Polman, who has shuffled about 70% of Unilever's senior management into different roles, according to a spokeswoman.

For years, Unilever was seen as a company that cultivated lifetime employees, a place where young trainees could rise through the bureaucratic ranks over the course of decades to top positions. But job selection at Unilever, like at many other companies, has become increasingly performance-based, with top talent often being tapped from the outside.

That has been a breath of fresh air for analysts, who have been looking for Unilever to become a more agile company. They say Mr. Polman's experience at American consumer goods giant P&G—a company known for its centralized, highly competitive culture—has made him a wise pick to enliven Unilever.

Mr. Banga started at the company's India operating company, Hindustan Unilever Ltd., in 1977 and became its managing director and chairman in 2000. He said he held 17 Unilever jobs in his 33 years.

Michael Polk, president of Unilever Americas, will take over for Mr. Banga in May as president of the company's global food, home and personal care business.

Dave Lewis, who has been chairman of Unilever's operation in the U.K. and Ireland since 2007, will succeed Mr. Polk as head of the America's division.

Legal Notices

INTERNATIONAL NOTICES

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT
Claim Nos. 21910, 21911, 21912 and 21913 of 2009
IN THE MATTERS OF
ALLIANZ GLOBAL CORPORATE & SPECIALTY (FRANCE)
(a company incorporated in France)
AND
ALLIANZ IARD
(a company incorporated in France)
AND
DELVAG LUFTFAHRTVERSICHERUNGS-AG
(a company incorporated in Germany)
AND
NÜRNBERGER ALLGEMEINE VERSICHERUNGS-AG
(a company incorporated in Germany)
AND IN THE MATTER OF THE COMPANIES ACT 2006 OF GREAT BRITAIN
PROPOSED SOLVENT SCHEMES OF ARRANGEMENT CONCERNING
BUSINESS UNDERWRITTEN BY CAMOMILE UNDERWRITING AGENCIES
LIMITED ("CUAL") ON BEHALF OF THE ABOVE SCHEME COMPANIES

NOTICE IS HEREBY GIVEN that by an Order dated 17 December 2009 made in the above matters, the High Court of Justice of England and Wales has directed that meetings ("Creditors' Meetings") of the Scheme Creditors (as defined in the Scheme) of the companies listed above (the "Scheme Companies") be convened for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement proposed to be made between each respective Scheme Company and its Scheme Creditors pursuant to Part 26 of the Companies Act 2006 (the "Scheme").

The Creditors' Meetings will be held at the offices of Sidley Austin LLP, Woolgate Exchange, 25 Basinghall Street, London EC2V 5HA, United Kingdom on Thursday 10 June 2010 commencing at 11:00 a.m. (London Time) at which place and time all such Scheme Creditors are requested to attend either in person or by proxy. Registration will begin at 10:00 a.m. (London Time).

The Court has ordered that each Scheme Company should convene two meetings of its Scheme Creditors to vote on its Scheme as follows:

(1) one meeting of its Scheme Creditors in relation to their IBNR Claims (being losses which have been incurred by a Scheme Creditor, but not notified to it, for which it asserts that an amount will become due for payment to it by the Scheme Company as a Scheme Claim); and

(2) one meeting of its Scheme Creditors in relation to their Scheme Claims other than IBNR Claims.

Scheme Creditors which have Scheme Claims falling into both of these classes will be able to vote in each meeting.

Scheme Creditors may vote in person (or, if a corporation, by a duly authorised representative) at the Creditors' Meetings or they may appoint another person, whether a Scheme Creditor or not, as their proxy to attend and vote in their place.

The Scheme, the Explanatory Statement, the Proxy and Voting Form and other relevant documents may be downloaded and printed from the Website at www.CUAL-scheme.co.uk. Scheme Creditors requiring printed copies of these documents or a list of their policies which, where known, may be affected by the Scheme, should contact Whittington Insurance Services Limited ("Whittington"), on the contact details below and a copy will be sent free of charge.

Completed and signed Proxy and Voting Forms should be returned to Whittington at the address below as soon as possible, and in any event, so that they are received by 11:59 p.m. (London Time) on 2 June 2010. Scheme Creditors may send their forms by post, e-mail or fax. Forms returned by e-mail or fax will only be accepted if they are legible. If completed Proxy and Voting Forms are not received by 11:59 p.m. (London Time) on 2 June 2010, they may be handed in at the registration desk prior to the commencement of the Creditors' Meetings. Scheme Creditors are however urged to return the completed forms in advance of the Creditors' Meetings.

The Court has appointed Frank Attwood (or, failing him, William Nigel James Montgomery of Sidley Austin LLP) to act as Chairman of each of the said Creditors' Meetings and any adjournment thereof and has directed the Chairman to report the result of the said Creditors' Meetings to the Court. The Court has appointed David Hindley of Deloitte LLP to act as the Vote Assessor in relation to the Creditors' Meetings and any adjournment thereof and has directed the Vote Assessor to report his findings to the Chairman.

If approved by the requisite majorities of Scheme Creditors, the Scheme will be subject to the subsequent sanction of the Court.

Scheme Creditors should contact Whittington if they are unclear about or have any questions concerning the action they are required to take in order to vote on the Scheme, or if they would like to discuss the way in which their claims data is likely to be evaluated under the Scheme process, including the Actuarial Methodology.

Dated this 15th day of March 2010.

Whittington Insurance Services Limited
33 Creechurch Lane, London EC3A 5EB, United Kingdom
Contact: The CUAL Account Manager
Telephone: +44 (0)20 7743 0903
Fax: +44 (0)20 7743 0901
E-mail: CUAL-Scheme@Whittingtoninsurance.com

CORPORATE NEWS

Canberra shelves vote on Telstra split bill

Australia's move gives more time to broker deal with carrier over plans to build national broadband network

By Rachel Pannett And Lyndal McFarland

CANBERRA–Australia's government shelved debate on a proposal to split **Telstra** Corp. into separate retail and wholesale network divisions until the next session of Parliament, beginning May 11, in a move that buys more time to broker a deal with Telstra over plans to build a national high-speed Internet network.

Passage of the legislation was already in doubt after the minority Greens party, which holds the balance of power in Australia's upper-house Senate with two independents, Wednesday said their support could no longer be taken for granted while the government refuses to unveil an implementation study into its planned 43 billion Australian-dollar (US$40 billion) fiber network.

The main conservative Liberal-National opposition, which opposes the plan, had also lined up speakers for a Senate filibuster designed to prevent the debate from coming to a vote on the final sitting day of the fall session.

"The opposition has successfully filibustered this debate and it will now resume at the next session," Communications Minister Stephen Conroy said in an email. "This willful delaying tactic by the opposition is holding up vital reforms to the telecommunications sector."

Construction on the national broadband network is set to start in the second half of the year, but its viability depends on reaching an agreement with Telstra to prevent the company from acting as a major competitor.

The government wants to pass laws that could force Telstra to split into separate retail and wholesale network businesses, potentially bar it from acquiring any new mobile spectrum, and force it to sell its half-share of Australia's dominant pay-television operator, Foxtel, if it doesn't cooperate.

The latest delay buys the government and Telstra at least another seven weeks to strike a deal.

Telstra has said the legislation would destroy shareholder value and make any deal to sell assets to the new network harder to reach. Telstra also said separation of its wholesale and retail networks would cost it up to A$1 billion and take five years to achieve.

Shares in Telstra, which sank to an all-time low of A$2.88 in early March after the group's weaker than expected first-half result and amid uncertainty over the government's telecommunications reforms, closed up 1.3% at A$3.17.

Telstra, the country's largest telecommunications firm by revenue and subscribers, owns most of Australia's fixed-line infrastructure. Many analysts view the proposed changes as a stick to get Telstra to agree to sell some assets and migrate customers to NBN Co.—the company set up by the government to operate the new network.

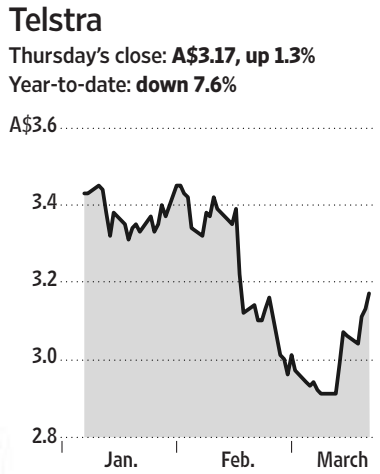
Credit Suisse analysts said Thursday they remain doubtful that any firm deal between Telstra and NBN will be achievable within the next few months.

The biggest issue in reaching a deal with Telstra is determining a price if the company agrees to sell its existing network assets to NBN. Confidential documents accidentally leaked by the government last October value Telstra's telecommunications-network assets at anywhere between A$8 billion and A$40 billion, highlighting the likely difficulties in agreeing on a price.

Still, some analysts say that with the government expected to call an election any time from mid-August, there is an added impetus to fast-track a deal, especially given that the high-speed network was a key campaign pledge when center-left Labor was elected to office in 2007.

Even when the proposed reform legislation comes back to Parliament in May, passage is far from assured. The government won a majority in the lower house of representatives in a 2007 election. But it needs the Senate support of either the conservatives, or all seven minor party Senators—including five from the Greens party—to pass any new laws.

The conservatives oppose the plan, and Family First Senator Steve Fielding is undecided. The Greens and independent Nick Xenophon previously gave in-principle support. But Greens communications spokesman Scott Ludlam on Wednesday accused the government of "burning the goodwill" of minor party senators in failing to release an istudy by McKinsey & Co. and KPMG this week. The government is effectively asking the Senate to sign a "blank check" on the new network, he said.



Sources: Thomson Reuters Datastream; Bloomberg News (photo)

Google gets support for its TV initiative

By Don Clark And Ben Worthen

Google Inc. has lined up some big partners—including **Intel** Corp. and **Sony** Corp.—in the Internet giant's recent quest to move its technology into the living room, people familiar with the situation say.

The joint effort, which is in its preliminary stages, includes software to help users navigate among Web-based offerings on television sets and serve as a platform for other developers to target in creating new programs, these people say. The technology could be included with future TVs, Blu-ray players or set-top boxes, they added.

Logitech International SA, a well-known maker of personal-computer accessories, is also playing a significant role, these people said.

Google is the latest among many entrants in a long-term race to make TVs more interactive and provide users with additional content from the Internet. The dominant Web-search company, which has already moved successfully into software for cellphones, stands to gain additional revenue if it can move its software and services into TVs.

The Wall Street Journal this month reported that Google is testing a new TV-search service with **Dish Network** Corp. that is designed to allow users to find shows on the satellite-TV service as well as video from Web sites such as Google's YouTube. The March 8 article noted that Google has been talking to partners about adapting Android—the operating system it developed for cellphones—for TVs and set-top boxes.

In addition, the company has begun to target the TV market with a nascent ad-brokering business called Google TV, the article said. Some participants in the effort are using that term to refer to the software platform for televisions, though it doesn't appear that the technology has been formally named.

The New York Times reported Wednesday that Sony, Intel and Logitech are collaborating with Google on the TV platform.

Google's partners have their own reasons for collaborating. Sony, which faces tough competition in the TV market, could use some help in differentiating its hardware.

The Japanese electronics company has already collaborated with Google in the market for electronic devices for reading books.

"This is an extension of their relationship," said Rick Doherty, an analyst at market-research firm Envisioneering. "Sony is weak in the software area."

Sony is working with Google on a television that would run the Android operating system, people familiar with the matter said.

A spokesman for Google declined to comment, as did a spokesman for Sony and a spokeswoman for Logitech. A spokeswoman for Intel declined to comment on any relationship with Google, but she noted that consumer electronics is seen as a "growth strategy" for Intel.

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Group invests in China

Consortium including Blackstone buys stake in agricultural firm

By Aries Poon

HONG KONG—A consortium that includes Capital Group Cos. and **Blackstone Group** LP has invested US$600 million in China Shouguang Agricultural Product Logistic Park, an agricultural-product trading center, a person familiar with the situation said.

The stake sale brings several high-profile investors into the little-known agricultural company ahead of a planned US$700 million initial public offering by China Shouguang's parent, **Dili Group Holdings** Co., which hopes to list in Hong Kong in the second quarter. Dili Group is owned by the family of Dai Yongge, chairman of Hong Kong-listed Renhe Commercial Holdings Co., the person said.

The deal comes as demand for Chinese fruits, vegetables and their by-products is set to grow within China and overseas. Prices for those goods also likely will rise as more farmers leave China's rural areas as a result of the country's urbanization efforts.

Capital International Private Equity Funds, Blackstone and Atlantis Investment Management Ltd. have taken a combined 30% stake in China Shouguang, which occupies a 3,000-hectare site in Shouguang, Shandong province, the person said.

None of the three private-equity firms could be reached for comment.

Blackstone's first private-equity investment in China came in September 2007, when it agreed to pay $600 million for a 20% stake in China National BlueStar (Group) Corp., a state-owned specialty-chemical maker. The deal took almost a year to close because of the need for Chinese government approval.

The person said China Shouguang is expanding and expects the center's annual trading volume to total 10 million metric tons after completion. The person didn't say what the current capacity is.

Shouguang, home to about one million people in the coastal province of Shandong, is known as China's "home of vegetables" for its year-round harvests.

Dili Group Holdings' planned IPO will be handled by UBS AG, the person said.

—Ellen Sheng and Amy Or contributed to this article.

Bank's ex-chairman arrested

By Quentin Fottrell

DUBLIN—Irish police arrested **Anglo Irish Bank** Corp.'s former Chairman Sean FitzPatrick on Thursday in connection with financial irregularities, a person familiar with the matter said.

Police announced an arrest but haven't released the name of the person arrested or the financial institution involved.

The police said a man in his early 60s is being held under Section 4 of the Criminal Justice Act 1984 at a police station in Bray, County Wicklow following a search of a premises Thursday by officers of the Garda Bureau of Fraud Investigation.

This means the man has been arrested but hasn't yet charged with a crime.

Mr. FitzPatrick's lawyer wasn't available to comment.

Anglo recently took legal action against Mr. FitzPatrick to recover €70 million ($96.2 million) in unpaid loans through Dublin's Commercial Court.

Finance Minister Brian Lenihan wouldn't comment Thursday on the arrested man's identity but said, "I have always stated that there is an extensive Garda investigation underway. I have been cautious not to prejudice that investigation and am eager to see justice take its course."

The government nationalized Anglo in January 2009 to prevent its failure after it lent aggressively to developers before Ireland's housing market collapsed. Many of those loans are unlikely to be repaid.

In December 2008, Mr. FitzPatrick resigned after revelations of loan transfers between Anglo and a building society to conceal what was estimated in the bank's 2008 annual report to be €122 million in borrowings by Mr. FitzPatrick.

The loans were transferred from Anglo to Irish Life and appeared to be repaid on Anglo's books in the fiscal year ended Sept. 30, 2007. However, the loans were returned to Anglo in October 2007.

In a statement when he resigned, Mr. FitzPatrick said he had done such transactions "on my own initiative over an eight-year period," but said the loan transfers didn't breach banking or legal regulations.

"However, it is clear to me, on reflection, that it was inappropriate and unacceptable from a transparency point of view," he said.

Finra's Merrill to leave job as enforcement chief

By Susanne Craig

The executive hired by Wall Street to enforce its rules is stepping down after nearly three years in which the organization's disciplinary actions and fines against the brokerage industry have declined, the group said.

Susan Merrill, the head of enforcement at the Financial Industry Regulatory Authority, Wall Street's self-regulatory body, hasn't set a departure date and hasn't indicated whether she had another job lined up, people familiar with the matter said. She didn't reply to requests for comment.

Susan Merrill

Her departure leaves Finra looking for an enforcement chief who can bolster its reputation and bring more cases.

Finra and other regulators missed some of the major causes of the financial crisis as well as some investment frauds.

Ms. Merrill, 53 years old and formerly a litigation partner at law firm Davis Polk & Wardwell LLP, was hired by the New York Stock Exchange in 2004 to help revive is regulation division.

She became head of enforcement at Finra in 2007 when the National Association of Securities Dealers merged with the regulatory arm of the NYSE, forming Finra.

Ms. Merrill, who was paid $1.4 million in 2008, was tapped to run the combined division by Mary Schapiro, who ran Finra until early 2009 when she left to head the U.S. Securities and Exchange Commission.

Ms. Merrill's tenure has met with mixed success. She helped to successfully merge the enforcement departments of the NASD and the NYSE, and brought a number of auction-rate-securities cases against Wall Street firms.

Last week, **Thomas Weisel Partners Group** Inc., in a regulatory filing, disclosed it had set aside $4 million to pay an expected fine by Finra to settle an investigation involving the securities. Weisel said in the filing the fine could "adversely" affect the firm.

At the same time, Ms. Merrill's division has brought fewer cases than its predecessors did.

During her tenure at Finra, the stock market touched an all-time high. Then, the country, and the world, tumbled into the financial crisis.

In 2008, amid the global crisis, Finra often filed cases against small players.

Along the way, regulators, including Finra, failed to stop a number of abuses that led to the financial crisis and didn't uncover the Ponzi scheme run by Bernard Madoff.

During the past few years, the number of disciplinary actions filed dropped, to 1,158 cases in 2009 from 1,399 in 2005.

Enforcement fines against firms have declined in percentage terms. Finra levied fines against financial companies totaling $25.9 million in 2008, according to Finra, and $50 million in 2009, according to people familiar with the matter.

Fines levied by Finra or one of its predecessor agencies declined for three years before 2009.

The predecessor organization collected $148.5 million in fines in 2005.

It isn't known who will succeed Ms. Merrill.

In February 2009, Ms. Schapiro hired Robert Khuzami, a former federal prosecutor, to lead the SEC's enforcement division.

Scrap-market lament: Bits of iron, steel are hard to find

Continued from page 15

tors and plumbing fixtures—key sources of recycled copper—has risen more than 6% since early January. The price of copper for May delivery at the Comex division of Nymex has held roughly steady over the same period, said Peter Nagusky, president of **Federal Metal** Co., in Bedford, Ohio, which turns scrap into brass and bronze ingots.

Still, like the prices for metals on exchanges, scrap prices haven't come back to the levels they reached in 2008.

Donald Coxe, a metals analyst, says the shortage shows Chinese demand is stronger than people think.

That summer, before the worst days of the financial crisis, buyers in Asia were paying $700 a metric ton for scrap steel, said George Adams, CEO of **SA Recycling** in Anaheim, Calif., and chairman of the Institute of Scrap Recycling Industries Inc., a trade group based in Washington.

By the end of 2008, the price had dipped to $250. Now, Mr. Adams said, the price has rebounded to about $400.

For now, supply isn't looking likely to rise any time soon.

"There's no house construction, there's no commercial construction," said Jeff Millhollin, head of scrap operations at **Pacific Steel & Recycling** in Great Falls, Mont. Pacific Steel has locations in seven states, from Rapid City, S.D., to Yakima, Wash.

Many consumers had already depleted any supplies of scrap that were sitting around their garages, backyards, farms and ranches in 2008, when prices for many metals were much higher than they are today, and scrap fetched even higher premiums.

Now, with unemployment high, consumers are holding onto big-ticket items longer. "They don't throw their old stuff away," Mr. Adams said. "If they don't buy a new one, they fix the old one."

Even scrap dealers are feeling the pinch. The containers that hold scrap are often made of metal, and they can cost $4,000 to $5,000. Now, when a container gets a hole, dealers are likely to try to patch it, said Scott Sherr, the president of **Diamond State Recycling** Corp. in Wilmington, Del. "I don't know a scrap dealer who's ordered new containers," he said.

Chris Smith

Fewer people stop by to sell scrap to Integrity Metals, as recession-strapped consumers keep appliances longer..

SEC attempted to ease curbs on analysts from '03 pact

Continued from page 15

oversight, the Obama administration is trying to push through stricter regulation of banks and securities firms. The SEC is at the heart of the battle because of its mistakes during the crisis.

On Wednesday, SEC Chairman Mary Schapiro said the agency's oversight of Lehman Brothers Holdings Inc. might have been ineffective, partly because of insufficient staffing.

Also Wednesday, the Financial Industry Regulatory Authority, Wall Street's self-regulatory body, said its head of enforcement plans to resign. Like the SEC, Finra has been criticized for failing to detect abuses that led to the crisis. Neither regulator uncovered the Ponzi scheme run by Bernard Madoff.

Some outsiders expressed surprise that the U.S.'s top securities watchdog sided with Wall Street in an effort to unwind a major provision of the $1.4 billion settlement. The agreement settled allegations that securities firms issued excessively optimistic stock research in order to win lucrative investment-banking business.

"I am all for judges being the hero, but isn't the SEC supposed to be?" said James D. Cox, a law professor at Duke University. "The issue of communication between analysts and bankers was at the heart of the entire issue that led to the global settlement. My initial question is: Who at the SEC allowed this to happen?"

The SEC spokesman said the commission approved its staff's recommendation.

The 2003 pact included a complete separation of research and banking staffs, budgets and chains of command—and a physical separation of the two operations. Analysts were prohibited under the settlement from even speaking to investment bankers unless someone from the firm's compliance department was present. The fire walls were aimed at prohibiting improper communications.

The settlement allows the firms and the SEC to seek a judge's approval to change the agreement under certain circumstances.

In a letter to the judge, Lewis J. Liman, a lawyer representing the securities firms, said the wall is no longer needed because of securities regulations enforced by Finra. The securities firms and the SEC "believe that these rules adequately address the concern intended to be addressed" in the original settlement, Mr. Liman wrote.

Mr. Liman couldn't be reached for comment Wednesday. Judge Pauley, who approved the settlement, also couldn't be reached.

Harvey Goldschmid, an SEC commissioner when the settlement was reached, said the judge's ruling "was right."

"The separation of investment banking from the analysts was a wise thing when we approved it in 2003, and I would not change it," Mr. Goldschmid said. "The firms can argue it would be more efficient to allow the contact, but sometimes when you're talking about very marginal efficiency, there's reason to keep rules that are clear and enforceable."

The 2003 settlement led to changes in how securities firms operate. During the Internet bubble, some analysts publicly suggested investors buy stocks, even as the analysts disparaged the companies in private emails. The companies usually were investment-banking clients of the analysts' firms. A crackdown by regulators on the firms and analysts led to thousands of lawsuits from small investors.

Under the settlement, securities firms agreed to additional disclosures about their operations, payments to investors and other changes. The companies pledged to sever analysts' compensation from investment banking and tie it instead to the accuracy of their ratings. As of Dec. 31, $397.4 million in claims had been paid out to investors, according to a report filed last month with Judge Pauley.

The judge has periodically revised the settlement at the request of the SEC and securities firms. Some provisions of the pact have expired, including a five-year requirement that the companies pay for independent research reports and share them for free with clients.

The joint proposal, filed in a letter to the judge in August, would have allowed "research personnel and investment banking to communicate with each other, outside the presence of internal legal or compliance staff, regarding market or industry trends, conditions or developments, provided that such communications are consistent in nature with the types of communications that an analyst might have with investing customers," according to a court filing.

A copy of the request was made public by the court Wednesday. The judge approved other changes proposed by the SEC and firms, including a request to remove from the settlement deal a provision requiring that research departments have their "own dedicated legal and compliance staff."

—Fawn Johnson contributed to this article.

More Russians may track Rusal to Hong Kong

Continued from page 15

have been easy for us, because many have listed from our territory there." With Rusal's Hong Kong listing complete, he said, future listings would likely face a less troublesome regulatory vetting.

Officials for Singapore's stock exchange, **Singapore Exchange** Ltd., apparently sensing an opportunity, have sent executives to Moscow in hopes of attracting listing candidates.

Stock-exchange operator **Hong Kong Exchanges & Clearing** Ltd. has been eager to attract listings beyond its traditional base of Hong Kong and mainland Chinese companies. It has sent its own executives to a number of developing countries, including Vietnam and states of the former Soviet Union. Rusal is one of its highest-profile catches yet.

Mr. Volynets said Rusal's Hong Kong effort was helped by bringing two well-known Hong Kong public figures, Barry Cheung and Elsie Leung, onto the company's board as independent directors. He praised the two for helping the company to build "trust" among Hong Kong investors, and said he has told other Russian companies looking to list in Hong Kong to enlist prominent local figures to ease the process.

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Goldman Sachs bolsters equity capital Asia team

By Amy Or

HONG KONG—**Goldman Sachs Group** Inc. beefed up its equity capital markets team for Asia excluding Japan, announcing several appointments including the naming of chief China strategist Thomas Deng as the head of China equity capital markets.

Mr. Deng, a managing director since 2007, will lead the expansion of the U.S. investment bank's equity-financing business in China, covering both Shanghai-listed A shares and Hong Kong-listed H shares, Goldman Sachs said.

In another development, former HSBC Holdings PLC banker Will Smiley will join Goldman Sachs's equity capital markets division as a co-head of syndicate for Asia excluding Japan, alongside David Binnion.

Hayden Stockdale also will join the equity capital markets team for Asia excluding Japan, relocating to Hong Kong from Goldman Sachs's Australia operations, to drive key client relationships and execution in the region, with a focus on natural resources.

Treasurys slide on debt sales

By Min Zeng

NEW YORK—Prices of most Treasurys fell, as investors digested details of next week's government note supply.

The Treasury Department said it will sell $118 billion in notes, including $44 billion in two-year notes on Tuesday, $42 billion in five-year notes on Wednesday and $32 billion in seven-year notes on Thursday.

U.S. CREDIT MARKETS

In noon trading, the 30-year-bond was down 7/32 at 100 20/32, pushing the yield up to 4.5862%, as prices and yields move inversely. The two-year note fell 2/32 at 99 27/32, yielding 0.9561%, and the 10-year note shed 7/32, or $2.1875 for each $1,000 invested, to 99 20/32, to yield 3.6702%.

An unchanged reading on consumer inflation in February, following Wednesday's soft producer-price-index report, confirmed the Federal Reserve's view that price pressure is likely to remain tame in the foreseeable future, enabling the central bank to keep its target interest rate at near zero to aid an economic recovery. "The key factor for long-end Treasurys is inflation and inflation expectations, so a lower-than-forecast reading on the CPI should be friendly," said Lou Brien, market strategist with DRW Trading Group in Chicago.

The last time inflation looked so tame was in March 2009, when consumer prices fell 0.1%.

Euro drops below $1.36 on Greek fears

By Fabio Alves

NEW YORK—The euro sank Thursday morning, falling below $1.36 for the first time in more than a week, amid renewed concerns that Greece's sovereign-debt crisis is far from over.

The euro lost more than 1.1% against the dollar and dipped to a one-week low against the yen. The common currency slumped to a nearly 17-month low against the Swiss franc, at 1.4458 francs, though there were no signs of intervention from the Swiss National Bank.

CURRENCY MARKETS

Greece has ratcheted up pressure for financial help ahead of the European Union summit next week. A senior Greek official said Thursday Greece may seek IMF aid over the April 2-4 Easter weekend, during a trip to the IMF headquarters in Washington, because Athens holds out little hope for aid resulting from the EU summit.

"As markets realize that the recent 100-basis-points decline in the Greek-German 10-year [government bonds] spread was founded on anticipation of a Greek deal rather than an actual package, they will find little resistance in driving back down the euro towards its February lows of $1.34," said Ashraf Laidi, chief market strategist at CMC Markets in London.

Investors are getting increasingly anxious about Greece's sovereign-debt problems, as the country has a significant amount of debt coming due in April and there's still no concrete financial rescue package in place to ease concerns.

The political back-and-forth around a bailout has pushed the cost of protecting against a Greek default higher.

In early-afternoon trading Thursday, the euro was at $1.3616 from $1.3741 late Wednesday. The dollar was at 90.30 yen from 90.27 yen, while the euro was at 122.90 yen from 124.04 yen. The U.K. pound was at $1.5251 from $1.5326. The dollar was at 1.0619 francs from 1.0542 francs.

Meanwhile, currency markets showed little reaction to U.S. economic data, including weekly jobless claims and the consumer-price index for February, both largely in line with consensus estimates.

FUND SCORECARD

HF Distressed Securities

These funds specialize in financially troubled companies. Bankruptcy, distressed sales, or reorganizations are some opportunities. Ranked on % total return (dividends reinvested) in U.S. dollars for one year ending March 18, 2010

Leading 10 Performers

FUND RATING *	FUND NAME	FUND MGM'T CO.	CURR.	LEGAL BASE	% Return in $US ** YTD	1-YR	2-YR	5-YR
3	**Bay Harbour Credit Opportunities, LLC**	Bay Harbour Management, L.C.	USD	United States	**3.61**	62.78	9.43	NS
NS	**PSAM Rebound Fund Ltd**	P Schoenfeld Asset Mgmt LP(NY)	USD	Cayman Isl	**2.60**	49.60	NS	NS
NS	**PSAM Rebound Partners LP**	P Schoenfeld Asset Mgmt LP(NY)	USD	Cayman Isl	**2.59**	48.78	NS	NS
3	**Contrarian Capital Fund I**	Contrarian Capital Management LLC	USD	United States	**1.52**	48.49	4.23	6.44
3	**Contrarian Fund I Offshore**	Contrarian Capital Management LLC	USD	Cayman Isl	**1.52**	48.49	4.23	6.44
3	**Wexford Credit Opportunities LP**	Wexford Capital LLC	USD	United States	**1.50**	45.52	12.78	10.60
3	**Wexford Offshore Credit Opts Limited**	Wexford Capital LLC	USD	Cayman Isl	**1.50**	45.52	12.79	10.61
2	**Gramercy Emerging Markets Fund LLC**	Gramercy Advisors	USD	United States	**-0.50**	43.62	-13.72	-0.40
3	**Third Avenue Special Situations LP**	Third Avenue Management	USD	Cayman Isl	**0.48**	38.92	-1.33	1.27
3	**Eight Capital Master Fund**	Eight Capital	USD	Cayman Isl	**1.55**	37.15	-8.90	NS

NOTE: Changes in currency rates will affect performance and rankings.
KEY: ** 2YR and 5YR performance is annualized
NA-not available due to incomplete data;
NS-fund not in existence for entire period

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INTERNATIONAL INVESTMENT FUNDS [Search by company, category or country at asia.WSJ.com/funds]

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FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	—%RETURN— YTD	12-MO	2-YR
■ AHW CAPITAL MANAGEMENT									
Tel (+49) 1805 - 23 82 82									
www.ahw-capital.com									
AHW Top-Div.Int.	GL	EQ	LUX	03/17	EUR	53.56	-3.6	50.7	-19.5
■ ALLIANCE BERNSTEIN									
www.alliancebernstein.com/investments Tel. +800 2263 8637									
Am Eq Blend A	OT	OT	LUX	03/17	USD	10.87	4.8	50.6	-5.2
Am Eq Blend B	US	EQ	LUX	03/17	USD	10.19	4.5	49.0	-6.1
Am Growth A	US	EQ	LUX	03/17	USD	31.91	2.1	47.9	4.4
Am Growth AX	US	EQ	LUX	03/17	USD	34.48	2.3	48.7	5.0
Am Growth B	US	EQ	LUX	03/17	USD	26.77	1.9	46.4	3.4
Am Growth C	US	EQ	LUX	03/17	USD	28.84	2.1	47.1	4.0
Am Growth I	US	EQ	LUX	03/17	USD	35.42	2.3	49.0	5.2
Am Income A	US	BD	LUX	03/17	USD	8.59	2.9	31.7	7.5
Am Income A2	US	BD	LUX	03/17	USD	19.65	3.2	31.8	7.4
Am Income A2	OT	OT	NA	03/17	HKD	152.52	3.2	31.8	7.4
Am Income AT	OT	OT	NA	03/17	HKD	66.75	3.2	31.9	7.4
Am Income AT	US	BD	LUX	03/17	USD	8.60	3.2	31.9	7.4
Am Income B	US	BD	LUX	03/17	USD	8.59	2.8	30.7	6.6
Am Income B2	US	BD	LUX	03/17	USD	16.91	3.0	30.9	6.7
Am Income B2	OT	OT	NA	03/17	HKD	131.25	3.0	30.9	6.7
Am Income BT	OT	OT	NA	03/17	HKD	67.06	3.0	30.9	6.7
Am Income BT	US	BD	LUX	03/17	USD	8.64	3.0	30.9	6.7
Am Income C	US	BD	LUX	03/17	USD	8.59	2.8	31.1	6.9
Am Income C2	US	BD	LUX	03/17	USD	25.16	3.1	31.2	7.0
Am Income I	US	BD	LUX	03/17	USD	8.59	3.0	32.5	8.1
Am Value A	US	EQ	LUX	03/17	USD	8.88	4.1	41.0	-4.8
Am Value B	US	EQ	LUX	03/17	USD	8.16	3.9	39.5	-5.7
Am Value C	US	EQ	LUX	03/17	USD	8.87	4.0	40.1	-5.2
Am Value I	US	EQ	LUX	03/17	USD	9.57	4.2	42.0	-4.0
Emg Mkts Debt A	GL	BD	LUX	03/17	USD	16.08	4.5	49.4	10.6
Emg Mkts Debt A2	GL	BD	LUX	03/17	USD	21.06	4.7	49.4	10.6
Emg Mkts Debt AT	GL	BD	LUX	03/17	USD	16.16	4.7	49.3	10.6
Emg Mkts Debt B	GL	BD	LUX	03/17	USD	16.08	4.3	48.0	9.5
Emg Mkts Debt B2	GL	BD	LUX	03/17	USD	20.24	4.5	47.8	9.5
Emg Mkts Debt BT	GL	BD	LUX	03/17	USD	16.14	4.6	47.8	9.5
Emg Mkts Debt C	GL	BD	LUX	03/17	USD	16.08	4.4	48.8	10.1
Emg Mkts Debt C2	GL	BD	LUX	03/17	USD	20.67	4.6	48.6	10.1
Emg Mkts Debt I	GL	BD	LUX	03/17	USD	16.08	4.6	50.1	11.2
Emg Mkts Growth A	GL	EQ	LUX	03/17	USD	34.95	0.9	78.4	-5.9
Emg Mkts Growth B	GL	EQ	LUX	03/17	USD	29.56	0.6	76.7	-6.9
Emg Mkts Growth C	GL	EQ	LUX	03/17	USD	30.27	0.8	77.6	-6.3
Emg Mkts Growth I	GL	EQ	LUX	03/17	USD	38.81	1.0	79.9	-5.2
Eur Growth A	OT	OT	LUX	03/17	USD	10.04	4.0	42.5	-7.1
Eur Growth A	OT	OT	LUX	03/17	EUR	7.31	4.0	42.5	-7.1
Eur Growth B	OT	OT	LUX	03/17	EUR	6.56	3.8	41.1	-8.1
Eur Growth B	OT	OT	LUX	03/17	USD	9.01	3.8	41.1	-8.1
Eur Growth C	EU	EQ	LUX	03/17	EUR	5.53	3.8	41.8	-7.5
Eur Growth I	OT	OT	LUX	03/17	USD	10.96	4.0	43.8	-6.4
Eur Growth I	OT	OT	LUX	03/17	EUR	7.98	4.0	43.8	-6.4
Eur Income A	OT	OT	LUX	03/17	EUR	6.82	4.3	58.5	8.6
Eur Income A	OT	OT	LUX	03/17	USD	9.37	4.3	58.5	8.6
Eur Income A2	OT	OT	LUX	03/17	EUR	13.47	4.7	58.5	8.6
Eur Income A2	OT	OT	LUX	03/17	USD	18.50	4.7	58.5	8.6
Eur Income AT	EU	BD	LUX	03/17	EUR	6.82	4.6	58.2	8.6
Eur Income B	OT	OT	LUX	03/17	EUR	6.82	4.2	57.6	7.9
Eur Income B	OT	OT	LUX	03/17	USD	9.37	4.2	57.6	7.9
Eur Income B2	OT	OT	LUX	03/17	EUR	12.51	4.5	57.4	7.8
Eur Income B2	OT	OT	LUX	03/17	USD	17.18	4.5	57.4	7.8
Eur Income BT	EU	BD	LUX	03/17	EUR	6.82	4.4	57.3	7.8
Eur Income C	OT	OT	LUX	03/17	EUR	6.82	4.3	57.9	8.1
Eur Income C	OT	OT	LUX	03/17	USD	9.37	4.3	57.9	8.1
Eur Income C2	OT	OT	LUX	03/17	EUR	13.41	4.5	57.8	8.1
Eur Income C2	OT	OT	LUX	03/17	USD	18.42	4.5	57.8	8.1
Eur Income I	OT	OT	LUX	03/17	EUR	6.82	4.4	59.2	9.2
Eur Income I	OT	OT	LUX	03/17	USD	9.37	4.4	59.2	9.2
Eur Strat Value A	OT	OT	LUX	03/17	EUR	8.79	3.0	47.7	-11.2
Eur Strat Value A	OT	OT	LUX	03/17	USD	12.07	3.0	47.7	-11.2
Eur Strat Value I	OT	OT	LUX	03/17	EUR	9.01	3.1	48.9	-10.4
Eur Strat Value I	OT	OT	LUX	03/17	USD	12.37	3.1	48.9	-10.4
Eur Value A	OT	OT	LUX	03/17	EUR	9.42	2.4	50.5	-7.4
Eur Value A	OT	OT	LUX	03/17	USD	12.94	2.4	50.5	-7.4
Eur Value B	OT	OT	LUX	03/17	USD	11.88	2.2	49.1	-8.3
Eur Value B	OT	OT	LUX	03/17	EUR	8.65	2.2	49.1	-8.3
Eur Value C	OT	OT	LUX	03/17	USD	12.50	2.4	49.9	-7.8
Eur Value C	OT	OT	LUX	03/17	EUR	9.10	2.4	49.9	-7.8
Eur Value I	OT	OT	LUX	03/17	USD	14.97	2.6	51.8	-6.6
Eur Value I	OT	OT	LUX	03/17	EUR	10.90	2.6	51.8	-6.6
Gl Balanced (Euro) A	OT	OT	LUX	03/17	USD	16.27	3.3	35.1	-4.3
Gl Balanced (Euro) B	OT	OT	LUX	03/17	USD	15.82	3.1	33.8	-5.2
Gl Balanced (Euro) C	OT	OT	LUX	03/17	USD	16.15	3.3	34.9	-4.5
Gl Balanced (Euro) I	OT	OT	LUX	03/17	USD	16.60	3.5	NS	NS
Gl Balanced A	US	BA	LUX	03/17	USD	16.79	1.9	38.9	-5.4
Gl Balanced B	US	BA	LUX	03/17	USD	15.94	1.7	37.5	-6.3
Gl Balanced C	OT	OT	LUX	03/17	USD	16.54	1.8	38.5	-5.6
Gl Balanced C	OT	OT	LUX	03/17	EUR	12.04	1.8	38.5	-5.6
Gl Balanced I	US	BA	LUX	03/17	USD	17.44	2.0	39.7	-4.7
Gl Bond A	US	BD	LUX	03/17	USD	9.41	2.5	19.1	5.1
Gl Bond A2	US	BD	LUX	03/17	USD	16.44	2.7	19.0	5.1
Gl Bond A2	OT	OT	NA	03/17	HKD	127.60	2.7	19.0	5.1
Gl Bond AT	OT	OT	LUX	03/17	HKD	73.04	2.7	19.1	5.1
Gl Bond AT	US	BD	LUX	03/17	USD	9.41	2.7	19.1	5.1
Gl Bond B	US	BD	LUX	03/17	USD	9.41	2.4	17.9	4.0
Gl Bond B2	US	BD	LUX	03/17	USD	14.37	2.5	17.9	4.0
Gl Bond B2	OT	OT	NA	03/17	HKD	111.54	2.5	17.9	4.0
Gl Bond BT	OT	OT	LUX	03/17	HKD	73.27	2.5	17.9	4.0
Gl Bond BT	US	BD	LUX	03/17	USD	9.44	2.5	17.9	4.0
Gl Bond C	US	BD	LUX	03/17	USD	9.41	2.4	18.5	4.6
Gl Bond C2	US	BD	LUX	03/17	USD	14.25	2.6	18.5	4.6
Gl Bond I	US	BD	LUX	03/17	USD	9.41	2.6	19.7	5.7
Gl Conservative A	US	BA	LUX	03/17	USD	15.06	1.8	24.5	-1.0
Gl Conservative A2	US	BA	LUX	03/17	USD	17.23	1.8	24.5	-1.0
Gl Conservative B	US	BA	LUX	03/17	USD	15.06	1.6	23.3	-2.0
Gl Conservative B2	US	BA	LUX	03/17	USD	16.34	1.6	23.3	-2.0
Gl Conservative C	US	BA	LUX	03/17	USD	15.06	1.7	24.0	-1.5
Gl Conservative C2	US	BA	LUX	03/17	USD	16.84	1.7	24.0	-1.5
Gl Conservative I	US	BA	LUX	03/17	USD	15.14	2.0	25.6	-0.2
Gl Eq Blend A	GL	EQ	LUX	03/17	USD	11.81	1.3	52.6	-13.4
Gl Eq Blend B	GL	EQ	LUX	03/17	USD	11.06	1.0	50.9	-14.3
Gl Eq Blend C	GL	EQ	LUX	03/17	USD	11.59	1.1	51.9	-13.8
Gl Eq Blend I	GL	EQ	LUX	03/17	USD	12.48	1.5	53.7	-12.7
Gl Growth A	GL	EQ	LUX	03/17	USD	42.53	1.5	48.1	-13.6
Gl Growth B	GL	EQ	LUX	03/17	USD	35.43	1.3	46.6	-14.5
Gl Growth C	GL	EQ	LUX	03/17	USD	40.78	1.4	47.5	-14.0
Gl Growth I	GL	EQ	LUX	03/17	USD	47.31	1.7	49.4	-12.9
Gl High Yield A	US	BD	LUX	03/17	USD	4.48	4.9	69.1	9.3
Gl High Yield A2	US	BD	LUX	03/17	USD	9.73	5.1	68.6	9.1
Gl High Yield A2	OT	OT	NA	03/17	HKD	75.52	5.1	68.6	9.1
Gl High Yield AT	OT	OT	NA	03/17	HKD	34.46	5.1	68.8	9.1
Gl High Yield AT	US	BD	LUX	03/17	USD	4.44	5.1	68.8	9.1
Gl High Yield B	US	BD	LUX	03/17	USD	4.48	4.7	67.1	7.9
Gl High Yield B2	US	BD	LUX	03/17	USD	15.62	5.0	66.9	8.0
Gl High Yield B2	OT	OT	NA	03/17	HKD	121.24	5.0	66.9	8.0
Gl High Yield BT	OT	OT	NA	03/17	HKD	35.08	4.9	66.8	8.0
Gl High Yield BT	US	BD	LUX	03/17	USD	4.52	4.9	66.8	8.0
Gl High Yield C	US	BD	LUX	03/17	USD	4.48	4.8	68.3	8.7
Gl High Yield C2	US	BD	LUX	03/17	USD	14.42	5.1	67.9	8.6
Gl High Yield I	US	BD	LUX	03/17	USD	4.48	5.0	70.2	10.0
Gl Thematic Res. A	OT	OT	LUX	03/17	USD	15.17	3.0	73.4	4.4
Gl Thematic Res. B	OT	OT	LUX	03/17	USD	13.24	2.7	71.7	3.3
Gl Thematic Res. I	OT	OT	LUX	03/17	USD	16.94	3.1	74.8	5.2
Gl Value A	GL	EQ	LUX	03/17	USD	11.26	1.1	57.3	-13.2
Gl Value B	GL	EQ	LUX	03/17	USD	10.33	0.9	55.8	-14.0
Gl Value C	GL	EQ	LUX	03/17	USD	10.94	1.0	56.7	-13.5
Gl Value I	GL	EQ	LUX	03/17	USD	12.00	1.3	58.5	-12.5
Greater China A	AS	EQ	LUX	03/17	USD	39.51	-1.3	56.1	-3.4
Greater China B	AS	EQ	LUX	03/17	USD	34.89	-1.5	54.5	-4.4
Greater China C	AS	EQ	LUX	03/17	USD	38.97	-1.4	55.4	-3.9
India Growth A	OT	OT	LUX	03/17	USD	132.24	4.2	NS	NS
India Growth AX	OT	OT	LUX	03/17	USD	115.66	4.3	126.5	3.4
India Growth B	OT	OT	LUX	03/17	USD	138.25	4.0	NS	NS
India Growth BX	OT	OT	LUX	03/17	USD	98.66	4.0	124.3	2.4
India Growth I	EA	EQ	LUX	03/17	USD	119.99	4.4	127.6	3.8
Int'l Health Care A	OT	EQ	LUX	03/17	USD	143.68	4.5	33.8	0.3
Int'l Health Care B	OT	EQ	LUX	03/17	USD	120.94	4.3	32.5	-0.7
Int'l Health Care C	OT	EQ	LUX	03/17	USD	137.57	4.4	33.2	-0.2
Int'l Health Care I	OT	EQ	LUX	03/17	USD	157.25	4.7	34.9	1.1
Int'l Technology A	OT	EQ	LUX	03/17	USD	112.39	1.8	59.8	-0.3
Int'l Technology B	OT	EQ	LUX	03/17	USD	97.18	1.6	58.2	-1.3
Int'l Technology C	OT	EQ	LUX	03/17	USD	108.51	1.7	59.1	-0.8
Int'l Technology I	OT	EQ	LUX	03/17	USD	126.23	2.0	61.1	0.5
Japan Eq Blend A	JP	EQ	LUX	03/17	JPY	6195.00	2.8	33.6	-10.7
Japan Eq Blend B	JP	EQ	LUX	03/17	JPY	5965.00	2.6	32.3	-11.6
Japan Eq Blend C	JP	EQ	LUX	03/17	JPY	6090.00	2.8	33.0	-11.1
Japan Growth A	JP	EQ	LUX	03/17	JPY	5848.00	-0.4	22.2	-13.1
Japan Growth B	JP	EQ	LUX	03/17	JPY	5632.00	-0.6	21.0	-14.0
Japan Growth C	JP	EQ	LUX	03/17	JPY	5750.00	-0.5	21.6	-13.5
Japan Strat Value A	JP	EQ	LUX	03/17	JPY	6489.00	6.0	45.0	-8.7
Japan Strat Value B	JP	EQ	LUX	03/17	JPY	6255.00	5.8	43.6	-9.6
Japan Strat Value C	JP	EQ	LUX	03/17	JPY	6374.00	5.9	44.3	-9.1
Real Estate Sec. A	OT	EQ	LUX	03/17	USD	14.97	4.3	81.2	-7.3
Real Estate Sec. B	OT	EQ	LUX	03/17	USD	13.66	4.1	79.5	-8.3
Real Estate Sec. I	OT	EQ	LUX	03/17	USD	16.11	4.5	82.7	-6.6
Short Mat Dollar A	US	BD	LUX	03/17	USD	7.32	1.3	15.8	-1.4
Short Mat Dollar A2	US	BD	LUX	03/17	USD	9.92	1.3	15.6	-1.5
Short Mat Dollar AT	US	BD	LUX	03/17	USD	7.31	1.4	15.8	-1.5
Short Mat Dollar B	US	BD	LUX	03/17	USD	7.32	1.2	15.3	-1.9
Short Mat Dollar B2	US	BD	LUX	03/17	USD	9.87	1.3	15.3	-1.9
Short Mat Dollar BT	OT	OT	LUX	03/17	USD	7.32	1.2	NS	-2.2
Short Mat Dollar C	US	BD	LUX	03/17	USD	7.32	1.2	15.3	-1.9
Short Mat Dollar C2	US	BD	LUX	03/17	USD	13.95	1.3	15.2	-1.9
Short Mat Dollar I	US	BD	LUX	03/17	USD	7.32	1.4	16.4	-0.9

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FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	—%RETURN— YTD	12-MO	2-YR
■ ALEXANDRA INVESTMENT MANAGEMENT									
Tel: +1 212 301 1800 Fax: +1 212 301 1810									
Alexandra Convertible Bond Fund I, Ltd. (Class A)	OT	OT	VGB	01/29	USD	1778.08	5.1	80.4	NS
■ CREDIT PACIFIC ASSET MANAGMENT									
www.creditpacific.com									
CPS-Master Priv Fund	GL	OT	WSM	03/16	USD	107.18	7.2	30.0	23.3
■ PLATINUM CAPITAL MANAGEMENT									
Tel: +44 207 024 9840, www.platinumfunds.net									
Platinm-All Star	OT	OT	CYM	12/31	USD	97.22	15.7	15.7	-12.2
Platinm-All Weather	OT	OT	USA	10/31	USD	129.92	2.4	3.2	3.8
Platinm-Dynasty	OT	OT	USA	12/31	USD	116.00	12.9	12.9	-29.1
Platinm-Emancipation	OT	OT	USA	01/29	USD	94.67	1.7	28.8	-5.0
Platinm-Equity Plus	OT	OT	USA	05/29	USD	35.02	-18.2	-63.7	-45.6
Platinm-Gbl Dividend	OT	OT	CYM	12/31	USD	62.80	37.2	37.2	-26.9
Platinm-Nordic	OT	OT	CYM	01/29	SEK	627.50	1.6	14.6	-12.4
Platinm-Premier	OT	OT	CYM	12/31	USD	21.20	-55.9	-66.0	-44.3
Platinm-Turnberry	OT	OT	USA	01/29	USD	60.80	1.2	NS	-27.0
■ SUPERFUND ASSET MANAGEMENT GMBH									
For info about open funds, contact info@superfund.com and www.superfund.com									
**Closed for New Investments*									
Superfund Cayman*	OT	OT	CYM	03/16	USD	40.38	-1.0	-53.7	-18.7
Superfund GCT USD*	GL	EQ	LUX	03/16	USD	2161.00	-1.5	-42.4	-14.4
Superfund Green Gold A (SPC)	OT	OT	CYM	03/16	USD	973.86	1.0	-18.3	-9.1
Superfund Green Gold B (SPC)	OT	OT	CYM	03/16	USD	939.62	0.4	-32.8	-16.0
Superfund Q-AG*	OT	OT	AUT	03/16	EUR	6664.00	0.7	-23.9	-5.4
■ WINTON CAPITAL MANAGEMENT LTD									
Tel: +44 (0)20 7610 5350 Fax: +44 (0)20 7610 5301									
Winton Evolution EUR Cls H	OT	OT	CYM	02/26	EUR	948.03	0.3	-6.0	NS
Winton Evolution GBP Cls G	OT	OT	CYM	02/26	GBP	955.79	0.7	-5.2	NS
Winton Evolution USD Cls F	OT	OT	CYM	02/26	USD	1203.51	0.4	-5.9	-0.4
Winton Futures EUR Cls C	OT	OT	VGB	02/26	EUR	196.04	-0.4	-5.7	1.6
Winton Futures GBP Cls D	OT	OT	VGB	02/26	GBP	212.20	-0.3	-5.3	2.4
Winton Futures JPY Cls E	OT	OT	VGB	02/26	JPY	13835.61	-0.4	-6.5	-0.6
Winton Futures USD Cls B	OT	OT	VGB	02/26	USD	696.79	-0.4	-5.7	1.3
■ ALLIANZ GLOBAL INVESTORS KAPITALANLAGEGESELLSCHAFT									
Concentra AE	EU	EQ	DEU	03/18	EUR	52.65	1.6	60.0	0.0
Industria AE	EU	EQ	DEU	03/18	EUR	72.56	2.5	48.5	-7.4
InternRent AE	EU	BD	DEU	03/18	EUR	37.57	6.7	8.8	11.0
■ CHARTERED ASSET MANAGEMENT PTE LTD - TEL NO: 65-6835-8866									
Fax No: 65-6835 8865, Website: www.cam.com.sg, Email: cam@cam.com.sg									
CAM-GTF Limited	AS	EQ	MUS	03/11	USD	307009.86	11.8	161.9	15.6

For information about listing your funds, please contact: Carson Wong tel: +852 2831-6481; email: carson.wong@dowjones.com

MARKETS

U.S. stocks waver; Greek shares skid

By Donna Kardos Yesalavich And Kristina Peterson

Stocks dipped in and out of the red as policy debates in Washington unsettled investors and energy stocks were dented by weaker commodity prices.

Helping to fuel a rise in industrial shares, the Federal Reserve Bank of Philadelphia said that manufacturing and business activity continues to climb in the mid-Atlantic area. **DuPont** rose 1.3%, while **Boeing** climbed 1.1%.

ABREAST OF THE MARKET

Bank of America, **J.P. Morgan Chase** and **American Express** fell amid concern over the financial regulatory overhaul proposal winding through Congress.

The Dow Jones Industrial Average was up 35.75 points, or 0.3%, to 10769.42 in early afternoon trade. The Nasdaq Composite edged up 0.1% to 2390.82, and the Standard & Poor's 500-share index eased 0.1% to 1164.84.

Tommy Williams, president of Williams Financial Advisors, said rapidly shifting winds in Washington have left investors "afraid not to jump in because they missed the big run-up, but afraid to jump in because a vote one way or another could make a big difference. This market is just one raw nerve."

Investors said after seven days of gains, a downturn may restore equilibrium.

Nike climbed 5.6% as fiscal third-quarter profit at the maker of athletic shoes more than doubled on higher sales in the U.S. and China. It reported a jump in future orders.

European stocks

Greek stocks tumbled amid more uncertainty over the country's debt woes, while a broad European index pulled back from a 17-month high set a day earlier.

The Greek ASE Composite Index dropped 3.4% to 2019.6, as **EFG Eurobank** fell 7.1% and **Piraeus Bank** declined 5.3%.

Greek Prime Minister George Papandreou called on European Union leaders next week to agree to a package of standby loans but said Greece isn't seeking financial aid from either the European Union or the International Monetary Fund.

The Stoxx 600 Europe Index slipped 0.1% to 261.20.

Among major national stock markets, the U.K. FTSE 100 Index ended fractionally lower at 5642.62, the German DAX Index declined 0.2% to finish at 6012.31 and the French CAC-40 Index shed 0.5% to 3938.18.

Enel lost 2.3% as the Italian utility's outlook disappointed investors.

Adidas gained 3.3%, buoyed by stronger-than-expected earnings from Nike. **GlaxoSmithKline** gained 3.8% as a generic threat to a key asthma drug appeared to fade.

Japan yields climb on fears of bond supply

By Andrew Monahan

TOKYO—Japanese government bond yields climbed Thursday on fears of additional bond issuance and disappointment that the Bank of Japan didn't announce more aggressive easing measures a day earlier.

The benchmark 10-year yield hit a six-week intraday high of 1.37% before ending at 1.36%, up 0.015 percentage point.

BOND MARKETS

Japanese life-insurance companies sold medium-dated bonds to free up funds to buy longer-dated maturities, which are more in line with their longer investment horizons, analysts said.

Joining the selling were other investors spooked by speculation that the Japanese government may increase spending later in the year. Kyodo News reported Wednesday that the People's New Party, a junior coalition partner in the government headed by banking minister Shizuka Kamei, may propose an extra seven trillion yen ($77.55 billion) in spending this year.

Such a sum would likely force the government to sell more debt, said Makoto Yamashita, chief Japan interest-rate strategist at Deutsche Securities.

Another factor pushing up yields was disappointment that the BOJ hadn't eased monetary policy further Wednesday.

Exporters slip in Tokyo as euro falls against yen

By V. Phani Kumar And Colin Ng

Japanese stocks fell Thursday, with exporters dragged lower as the euro weakened against the yen following a report that Greece may seek financial help from the International Monetary Fund.

Most other Asian markets declined. Shipbuilding stocks in the region were hurt by news of an order cancellation for South Korea's **Hyundai Heavy Industries**.

ASIAN-PACIFIC STOCKS

In Tokyo, Japan's Nikkei Stock Average of 225 companies ended down 1% at 10744.03.

Stocks were weak from the start, as investors who had priced in the prior day's monetary easing by the Bank of Japan, took profits on some recent gainers as some technical indicators show that the market has become overbought.

On the other hand, Inpex gained 1.2% after crude oil futures rose above $82 per barrel overnight. **Toshiba** rose 0.7% on hopes for rising chip demand, said Yuichi Ishida, an analyst at Mizuho Investors Securities, adding that hopes for increasing demand for the nuclear-power business in China is also supporting sentiment.

In Seoul, Hyundai Heavy, the world's biggest shipbuilder by order volume, fell 2.2% on news late Wednesday that a European client had canceled a 480.2 billion won ($425.8 million) order to build five oil carriers due to financial problems. That fueled worries about order cancellations for other shipbuilders. South Korean peer **Daewoo Shipbuilding & Marine Engineering** lost 1.6%, while Singapore-listed **Yangzijiang Shipbuilding** fell 2.5%.

South Korea's Kospi dropped 0.5% to 1675.17.

Hong Kong shares were pressured as Internet-services firm **Tencent Holdings** slumped 5.5%, despite posting strong fourth-quarter results, on concerns about a slowdown in revenue growth.

Hong Kong's Hang Seng Index gave up 0.3% to 21330.67 and China's Shanghai Composite slipped 0.1% to 3046.09 after a choppy session.

China Mobile rose 1.2% in Hong Kong after the company beat estimates with a 2.3% growth in net profit for the year ended Dec. 31.

Shangri-La Asia also outperformed the market, rising 2.5%, even after it said its 2009 operating profit fell 69% on poor performance of its core hotel operations.

China Overseas Land fell 1.6% on profit-taking after rising 9.1% in the month to Wednesday, outperforming the benchmark index's 3.8% gain over the same period.

Sydney bucked the trend in Asia, helped by a 1.3% rise in heavyweight **Telstra**, after Credit Suisse said a bill to split the company wasn't likely to be passed by the Senate.

Australia's S&P/ASX 200 rose 0.2% to 4863.11.

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GAM

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FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	YTD	12-MO	2-YR
GAM Arbitrage Op	OT	OT	VGB	03/12	USD	1301.17	4.7	31.5	-5.5
GAM Asia Eq Hdg JPY Op	GL	EQ	VGB	03/15	JPY	14381.91	-7.4	74.2	3.9
GAM Asia Equity Hedge US	OT	OT	VGB	03/15	USD	268.79	-7.4	74.7	5.2
GAM Asia Equity USD	OT	OT	VGB	03/17	USD	649.42	-0.7	74.2	-1.6
GAM Asia-Pacific Eq USD	OT	OT	VGB	03/16	USD	1344.25	4.8	61.3	-7.5
GAM Com Glb Bal EUR Op	US	BA	VGB	03/08	EUR	97.83	1.1	28.3	-6.2
GAM Com Glb Bal USD Op	US	BA	VGB	03/08	USD	129.18	1.1	28.3	-6.2
GAM Comp Glb Eq EUR Op	GL	EQ	VGB	03/08	EUR	101.37	0.9	46.9	-10.8
GAM Comp Glb Eq USD Op	GL	EQ	VGB	03/08	USD	128.66	0.9	46.9	-10.8
GAM Comp Glb Gr EUR Op	US	BA	VGB	03/08	EUR	88.93	0.4	32.9	-9.4
GAM Comp Glb Gr USD Op	US	BA	VGB	03/08	USD	127.62	0.4	32.9	-9.4
GAM CompAbsRT EUR Op	OT	OT	VGB	09/30	EUR	141.71	9.1	0.1	-6.9
GAM CompAbsRT SGD Op	OT	OT	VGB	09/30	SGD	102.21	9.2	-0.1	-8.3
GAM CompAbsRT USD Op	OT	OT	VGB	09/30	USD	845.66	9.5	0.7	-7.0
GAM Cptal Apprec Eq Inc	US	EQ	VGB	03/12	USD	259.82	4.5	78.3	-2.5
GAM Cross Trading Inc	OT	OT	VGB	03/08	USD	460.97	-1.1	3.7	1.6
GAM Diversity CHF Op	OT	OT	VGB	03/08	CHF	94.50	0.2	3.8	-6.0
GAM Diversity EUR Op	OT	OT	VGB	03/08	EUR	650.43	0.3	4.4	-4.6
GAM Diversity USD 2.5XL	OT	OT	VGB	03/08	USD	78.58	0.4	8.4	-17.6
GAM Diversity USD Op	OT	OT	VGB	03/08	USD	683.13	0.3	4.6	-5.2
GAM Dvrsty II CHF Op	OT	OT	VGB	03/08	CHF	99.65	0.2	3.1	-5.7
GAM Dvrsty II EUR Op	OT	OT	VGB	03/08	EUR	139.08	0.2	3.5	-4.8
GAM Dvrsty II USD Op	OT	OT	VGB	03/08	USD	210.68	0.2	3.7	-5.1
GAM DvrstyIII EUR Op	OT	OT	VGB	03/08	EUR	115.79	0.2	3.4	-4.9
GAM DvrstyIII USD Op	OT	OT	VGB	03/08	USD	122.28	0.2	3.7	-5.1
GAM Euro Eq Hdg EUR Op	EU	EQ	VGB	03/15	EUR	223.97	2.4	18.4	-0.2
GAM Euro Eq Hdg USD Op	OT	OT	VGB	03/15	USD	207.77	2.2	19.6	1.3
GAM European Equity USD	OT	OT	VGB	03/16	USD	287.15	-2.1	47.5	-9.3
GAM GAMCO	OT	EQ	VGB	03/09	USD	852.06	5.1	95.2	-4.2
GAM Gb EmMkts Hdg EUROp	OT	OT	VGB	03/15	EUR	99.24	1.4	15.4	-14.2
GAM Gb EmMkts Hdg USDOp	OT	OT	VGB	03/15	USD	104.72	1.5	16.1	-13.3
GAM Gbl Divers USD Inc.	GL	EQ	VGB	03/15	USD	259.12	3.7	60.8	-0.9
GAM Grtr China Eq Hdg Op	GL	EQ	VGB	03/15	USD	267.99	-6.5	110.6	25.0
GAM Intrst Trend II	GL	BD	VGB	03/15	USD	110.27	17.1	100.0	1.4
GAM Intrst Trend Inc	OT	OT	VGB	03/15	USD	293.82	16.8	119.1	3.2
GAM Japan Eq Hdg EUR Op	AS	EQ	VGB	03/15	EUR	127.23	9.0	33.1	4.7
GAM Japan Eq Hdg USD Op	OT	OT	VGB	03/15	USD	130.62	7.0	32.4	-9.1
GAM Japan Eq Hdg YEN Open	AS	EQ	VGB	03/15	JPY	8991.96	7.0	33.6	-8.3
GAM Japan USD	JP	EQ	VGB	03/17	USD	1203.10	9.1	40.2	-6.5
GAM Japan YEN	JP	EQ	VGB	03/17	JPY	9508.86	7.7	34.3	-8.3
GAM Money Mkt EuroOp	EU	MM	VGB	03/16	EUR	51.17	0.7	0.8	1.7
GAM Money Mkt USD	US	MM	VGB	03/16	USD	100.01	0.1	0.0	0.5
GAM Multi-Arb EUR Op	OT	OT	VGB	03/15	EUR	112.78	1.4	1.2	-6.8
GAM Multi-Arb USD Op	OT	OT	VGB	03/15	USD	117.67	1.4	1.4	-7.0
GAM Multi-China EUR Op	OT	OT	VGB	03/15	EUR	163.10	-2.9	9.1	-4.1
GAM Multi-China USD Op	OT	OT	VGB	03/15	USD	171.92	-2.6	9.6	-4.7
GAM Multi-Emer Mkts GBP	OT	OT	VGB	03/15	GBP	131.70	0.1	26.0	-0.4
GAM Multi-Emer Mkts USD	OT	OT	VGB	03/15	USD	651.82	0.1	26.1	-0.8
GAM Multi-Eur EUR Op	OT	OT	VGB	03/15	EUR	268.16	-0.3	5.7	-4.8
GAM Multi-Eur II EUR Op	OT	OT	VGB	03/15	EUR	137.98	-0.3	5.2	-4.8
GAM Multi-Eur II USD Op	OT	OT	VGB	03/15	USD	112.78	-0.3	5.2	-5.8
GAM Multi-Eur USD Op	OT	OT	VGB	03/15	USD	466.92	-0.2	5.3	-5.7
GAM Multi-Nth Am EUR Special	OT	OT	VGB	03/15	EUR	134.07	0.1	9.5	-1.1
GAM Multi-Nth Am USD Special	OT	OT	VGB	03/15	USD	218.11	0.0	9.7	-1.2
GAM Multi-Pac EUR Op	GL	EQ	VGB	03/15	EUR	141.27	-1.5	2.5	-2.3
GAM Multi-Pac USD Op	OT	OT	VGB	03/15	USD	163.22	-1.3	2.9	-2.6
GAM Portable Dvr/S&P500	OT	OT	VGB	08/24	USD	70.11	17.7	-27.7	-22.9
GAM Selection Hdg	US	EQ	VGB	03/05	USD	2749.93	4.2	72.4	11.2
GAM Sing/Malaysia	AS	EQ	VGB	03/17	USD	2564.21	1.6	79.7	1.5
GAM Sterling Spe Bd Inc	OT	OT	VGB	03/15	GBP	242.98	5.6	60.2	8.4
GAM Trading EUR Inc	OT	OT	VGB	03/08	EUR	321.56	-1.1	3.3	2.3
GAM Trading USD Inc	OT	OT	VGB	03/08	USD	962.92	-1.0	3.7	1.6
GAM Trdg II IncEUR Op	OT	OT	VGB	03/08	EUR	137.57	-1.1	3.2	2.3
GAM Trdg II IncUSD Op	OT	OT	VGB	03/08	USD	312.66	-1.0	3.8	1.6
GAM Trdg IV IncEUR Op	OT	OT	VGB	03/08	EUR	145.11	-1.1	3.0	2.0
GAM Trdg IV IncUSD Op	OT	OT	VGB	03/08	USD	152.86	-1.1	3.5	1.5
GAM Trdg V IncEUR Op	OT	OT	VGB	03/08	EUR	123.02	-1.1	2.9	1.9
GAM Trdg V IncUSD Op	OT	OT	VGB	03/08	USD	128.25	-1.0	3.5	1.5
GAM TrdgIII IncEUR Op	OT	OT	VGB	03/08	EUR	155.15	-1.2	3.0	1.9
GAM TrdgIII IncUSD Op	OT	OT	VGB	03/08	USD	160.78	-1.1	3.5	1.5
GAM USDSpecBondInc	US	BD	VGB	03/15	USD	578.87	9.2	121.0	13.0
GAM Worldwide	GL	EQ	VGB	03/16	USD	2213.70	-0.5	52.3	-6.6
GAMut Investments	OT	OT	VGB	03/10	USD	7710.34	1.7	2.5	6.6

■ GAM Star Fund Plc

GAMStar-AsEqCHF Ord Ac	AS	EQ	IRL	03/16	CHF	10.89	-1.3	48.8	-2.5
GAMStar-AsEqEUR Ord Ac	AS	EQ	IRL	03/16	EUR	12.01	0.9	60.3	2.1
GAMStar-AsEqGBP Ord Ac	AS	EQ	IRL	03/16	GBP	1.61	2.8	57.1	10.3
GAMStar-AsEqUSD Ord Ac	AS	EQ	IRL	03/16	USD	13.00	-3.1	70.4	-4.0
GAMStar-AsPacEqEUR Acc	AS	EQ	IRL	03/16	EUR	109.24	8.0	43.0	-0.9
GAMStar-AsPacEqEUR Inc	AS	EQ	IRL	03/16	EUR	105.72	8.0	43.0	-0.9
GAMStar-ContEurEqEUR Ac	EU	EQ	IRL	03/16	EUR	11.37	3.4	42.9	-0.8
GAMStar-EurpEqEUR Acc	EU	EQ	IRL	03/16	EUR	187.01	2.1	41.1	-3.7
GAMStar-EurpEqEUR Inc	EU	EQ	IRL	03/16	EUR	170.88	2.1	41.0	-3.7
GAMStar-EurpEqUSD Acc	EU	EQ	IRL	03/16	USD	15.70	-1.9	49.7	-9.1
GAMStar-EurpEqUSD Inc	EU	EQ	IRL	03/16	USD	14.24	-1.9	49.7	-9.1
GAMStar-FrontierOppUSD Acc	GL	EQ	IRL	03/15	USD	5.82	6.1	56.5	NS
GAMStar-JpnEq EUR Acc	JP	EQ	IRL	03/16	EUR	96.55	9.8	36.8	-0.2
GAMStar-JpnEq EUR Inc	JP	EQ	IRL	03/16	EUR	96.55	9.8	36.8	-0.2
GAMStar-JpnEq JPY Acc	JP	EQ	IRL	03/16	JPY	977.58	6.1	36.0	-10.4
GAMStar-JpnEq USD Acc	JP	EQ	IRL	03/16	USD	11.94	7.4	41.1	-8.2
GAMStar-World EqUSD Acc	GL	EQ	IRL	03/16	USD	2229.45	-0.4	53.2	-6.1

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American Growth	US	EQ	LUX	03/18	USD	15.82	3.2	53.4	-6.0
American Growth AA	US	EQ	LUX	03/18	USD	0.91	3.1	52.9	-4.8
Asian Equity	AS	EQ	LUX	03/18	USD	2.44	-0.1	73.4	0.4
Asian Equity AA	AS	EQ	LUX	03/18	USD	0.79	-0.2	72.8	0.0
Asian Sm Cap Equity AA	AS	EQ	LUX	03/18	USD	1.21	3.8	118.1	5.7
China Value A	AS	EQ	LUX	03/18	USD	6.97	-2.2	67.4	5.5
China Value AA	AS	EQ	LUX	03/18	USD	2.19	-2.3	67.0	5.2
Dragon Growth	AS	EQ	LUX	03/18	USD	1.63	-1.1	70.3	1.8
Dragon Growth AA	OT	OT	LUX	03/18	HKD	7.93	-1.0	70.0	1.3
Emg Eastrn Europe A	EU	EQ	LUX	03/18	USD	4.85	5.9	125.8	-10.0
Emg Eastrn Europe AA	EU	EQ	LUX	03/18	USD	2.09	5.8	125.5	-10.1
European Growth	EU	EQ	LUX	03/18	USD	9.04	-0.5	70.9	-12.7
European Growth AA	EU	EQ	LUX	03/18	USD	0.65	-0.6	70.5	-12.9
Global Contrarain AA	GL	EQ	LUX	03/18	USD	0.94	6.7	116.8	NS
Global Property AA	OT	EQ	LUX	03/18	USD	0.70	3.8	95.0	-6.3
Global Resources AA	OT	EQ	LUX	03/18	USD	1.10	1.4	62.4	-14.3
Healthcare AA	OT	EQ	LUX	03/18	USD	1.00	5.9	38.8	NS
India Equity AA	EA	EQ	LUX	03/18	USD	1.11	0.9	103.5	0.2
International Growth	GL	EQ	LUX	03/18	USD	3.10	1.8	47.6	-9.8
International Growth AA	GL	EQ	LUX	03/18	USD	0.72	1.8	47.2	-10.0
Japanese Growth	JP	EQ	LUX	03/18	USD	2.86	4.3	38.6	-7.0
Japanese Growth AA	JP	EQ	LUX	03/18	USD	0.75	5.0	39.2	-6.9
Latin America Equity AA	GL	EQ	LUX	03/18	USD	1.30	0.8	108.7	-3.1
Manulife GF Strategic Income Fund AA	OT	OT	NA	03/18	USD	1.04	3.6	NS	NS
MGF Asia Value Dividend Equity Fund	OT	OT	Lux	03/18	USD	1.16	2.7	NS	NS
Russia Equity AA	EE	EQ	LUX	03/18	USD	0.71	11.4	143.4	-14.7
Taiwan Equity AA	AS	EQ	LUX	03/18	USD	1.04	-4.6	71.7	0.0
Turkey Equity AA	EE	EQ	LUX	03/18	USD	0.78	2.1	169.4	6.8
U.S. Bond AA	US	BD	LUX	03/18	USD	1.14	3.0	21.4	8.5
U.S. Sm Cap Equity AA	US	EQ	LUX	03/18	USD	0.94	14.8	103.3	0.0
U.S. Special Opportunities	OT	OT	LUX	03/18	USD	0.90	11.5	110.7	13.6
U.S. Tsy Inf-ProtSec AA	OT	BD	LUX	03/18	USD	1.15	1.0	10.0	0.4

■ PT CIPTADANA ASSET MANAGEMENT
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Indonesian Grth Fund	EA	EQ	CYM	03/10	USD	136.35	7.1	158.8	0.3

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A Value Partners Group company

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Asia Value Formula Fd-B	AS	EQ	CYM	03/15	USD	8.10	1.0	100.5	1.1

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Bonds Eur Hi Yld A	OT	OT	LUX	03/16	EUR	21.72	5.5	65.0	6.9
Bonds EURO A	OT	OT	LUX	03/17	EUR	41.78	1.8	6.7	4.8
Bonds EUROPE A	OT	OT	LUX	03/16	EUR	39.73	1.6	5.1	4.1
Bonds US OppsCoreplus A	OT	OT	LUX	03/16	USD	37.57	1.8	18.2	8.2
Bonds World A	OT	OT	LUX	03/16	USD	41.82	-0.4	12.9	1.4
Eq. AsiaPac Dual Strategies A	OT	OT	LUX	03/17	USD	10.40	-0.3	80.6	-0.7
Eq. China A	AS	EQ	LUX	03/17	USD	23.01	-4.7	62.8	1.6
Eq. Concentrated Euroland A	OT	OT	LUX	03/16	EUR	92.82	-0.1	36.8	-10.0
Eq. ConcentratedEuropeA	EU	EQ	LUX	03/17	EUR	27.25	0.9	49.5	-7.5
Eq. Emerging Europe A	OT	OT	LUX	03/17	EUR	26.29	11.6	102.2	-12.5
Eq. Euroland A	EU	EQ	LUX	03/16	EUR	10.85	0.2	41.5	-10.9
Eq. Euroland Small Cap A	OT	OT	LUX	03/16	EUR	148.04	4.9	59.2	-3.8
Eq. EurolandCyclclsA	EU	EQ	LUX	03/16	EUR	18.30	2.9	44.9	-6.8
Eq. EurolandFinancialA	OT	EQ	LUX	03/16	EUR	10.92	-3.5	74.7	-14.2
Eq. Glbl Emg Cty A	GL	EQ	LUX	03/16	USD	9.27	-4.2	67.4	-11.3
Eq. Global A	GL	EQ	LUX	03/16	USD	28.38	1.9	58.1	-7.5
Eq. Global Energy A	OT	OT	LUX	03/17	USD	18.14	0.0	39.3	-12.2
Eq. Global Resources A	OT	OT	LUX	03/17	USD	111.42	2.0	66.8	-11.5
Eq. Gold Mines A	OT	EQ	LUX	03/16	USD	30.53	0.8	48.7	-8.1
Eq. India A	OT	OT	LUX	03/17	USD	132.21	1.1	102.9	0.4
Eq. Japan CoreAlpha A	OT	OT	LUX	03/17	JPY	7815.37	7.7	36.2	1.6
Eq. Latin America A	OT	OT	LUX	03/16	USD	115.84	-0.4	93.9	-8.1
Eq. US Lg Cap Gr A	US	EQ	LUX	03/17	USD	15.76	3.3	49.2	-3.8
Eq. US Rel Val A	US	EQ	LUX	03/17	USD	21.54	4.6	59.2	-6.9
Eq. US Sm Cap Val A	US	EQ	LUX	03/16	USD	17.18	7.7	71.6	-9.5
Money Market EURO A	EU	MM	LUX	03/16	EUR	27.41	0.1	0.6	2.2
Money Market USD A	US	MM	LUX	03/16	USD	15.83	0.0	0.3	1.3

The National Investor

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TNI Mena Real Estate Fund	OT	OT	BMU	03/11	USD	916.17	-4.7	6.0	-31.2
TNI MENA Special Sits Fund	OT	OT	BMU	02/28	USD	1109.04	2.8	16.0	NS
TNI UAE Blue Chip Fund	OT	OT	ARE	03/11	AED	5.18	-2.8	17.3	-34.1

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Intel-Chin MainInd Foc	AS	EQ	CYM	03/15	USD	29.49	-1.2	94.1	7.9
Intel-China Converg*	AS	EQ	CYM	03/15	USD	112.04	-1.7	93.9	5.5
VP Classic - A	AS	EQ	CYM	03/17	USD	189.61	1.7	94.8	5.7
VP Classic - B	AS	EQ	CYM	03/17	USD	88.28	1.6	93.8	5.1
VP High Dividend Stk	AS	EQ	CYM	03/15	USD	46.73	2.9	99.4	8.2

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■ YMR-N Series

YMR-N Growth Fund	OT	OT	IRL	03/18	JPY	9462.00	0.0	30.2	-12.4
YMR-N Small Cap Fund	OT	OT	IRL	03/18	JPY	6833.00	-2.6	28.0	-12.6

■ Yuki 77 Series

Yuki 77 General	JP	EQ	IRL	03/18	JPY	6045.00	-1.7	17.8	-16.3
Yuki 77 Growth	JP	EQ	IRL	03/18	JPY	5538.00	-1.8	11.0	-20.9

■ Yuki Chugoku Series

Yuki Chugoku Jpn Gen	JP	EQ	IRL	03/18	JPY	6884.00	0.8	25.9	-12.0
Yuki Chugoku JpnLowP	JP	EQ	IRL	03/18	JPY	8046.00	6.7	20.8	-9.8

■ Yuki Hokuyo Japan Series

Yuki Hokuyo Jpn Gen	JP	EQ	IRL	03/18	JPY	4725.00	1.1	22.9	-16.1
Yuki Hokuyo Jpn Inc	JP	EQ	IRL	03/18	JPY	5420.00	3.3	24.9	-10.2
Yuki Hokuyo Jpn Sm Cap	JP	EQ	IRL	03/18	JPY	4939.00	-3.3	25.3	-13.2

■ Yuki Mizuho Series

Yuki Mizuho Gen Jpn III	OT	OT	IRL	03/18	JPY	4370.00	-1.1	21.5	-20.5
Yuki Mizuho Jpn Dyn Gro	OT	OT	IRL	03/18	JPY	4615.00	-1.1	21.4	-20.3
Yuki Mizuho Jpn Exc 100	OT	OT	IRL	03/18	JPY	6867.00	-1.5	28.1	-15.1
Yuki Mizuho Jpn Gen	OT	OT	IRL	03/18	JPY	8694.00	0.9	24.7	-11.8
Yuki Mizuho Jpn Gro	OT	OT	IRL	03/18	JPY	6267.00	-1.4	20.1	-15.2
Yuki Mizuho Jpn Inc	OT	OT	IRL	03/18	JPY	7805.00	2.2	15.4	-13.8
Yuki Mizuho Jpn Lg Cap	OT	OT	IRL	03/18	JPY	5240.00	1.0	23.5	-13.3
Yuki Mizuho Jpn LowP	OT	OT	IRL	03/18	JPY	11999.00	3.8	28.5	-8.1
Yuki Mizuho Jpn PGth	OT	OT	IRL	03/18	JPY	7746.00	-2.7	18.9	-17.2
Yuki Mizuho Jpn SmCp	OT	OT	IRL	03/18	JPY	6878.00	-3.6	32.2	-13.5
Yuki Mizuho Jpn Val Sel	OT	OT	IRL	03/18	JPY	5763.00	2.0	26.7	-9.9
Yuki Mizuho Jpn YoungCo	OT	OT	IRL	03/18	JPY	2713.00	-0.5	31.8	-17.7

■ Yuki Shizuoka Japan Series

Yuki Shizuoka General Japan	JP	EQ	IRL	03/18	JPY	5489.00	1.3	23.8	-13.1

For information about listing your funds, please contact: Carson Wong tel: +852 2831-6481; email: carson.wong@dowjones.com

BLUE CHIPS & BONDS

Major players & benchmarks

At right, a look at the Asia Titans, the biggest and best known companies in Asia. Below, some of the Dow Jones Titans indexes of biggest and most liquid stocks in individual countries and regions

Giants around the world

In U.S.-dollar terms.

Dow Jones Country Titans

	INDEX PERFORMANCE		
	Previous session	Year-to-date	52-week
Sweden	-0.40%	7.9%	56.8%
Switzerland	-0.08	5.9	50.7
South Africa	1.38	4.3	30.6
Netherlands	-0.17	4.2	68.3
U.K.	0.24	4.1	49.0
Japan	-0.81	3.3	25.3
Canada	0.20	2.6	35.3
Australia	0.22	0.9	37.6
Russia	0.27	0.8	59.6
Germany	0.15	0.7	42.1
Singapore	-0.15	0.3	86.8
France	0.08	0.3	44.3
Turkey	-1.19	-0.5%	117.9
Italy	0.21	-0.9	58.8
Hong Kong	-0.14	-1.5	51.4
South Korea	-0.75	-2.1	46.8
Brazil	-0.42	-3.5	93.7
Spain	-0.06	-4.2	37.4
China 88	-0.39	-10.0	30.9

Dow Jones Regional Sector Titans

Travel Leisure	-0.25%	8.8%	50.9%
Ind Gds Svcs	0.18	8.7	73.3
Pers H'hold Gds	0.23	6.2	46.5
Arab 50	0.20	5.8	29.2
Retail	-0.20	5.3	45.4
Real Estate	-0.50	3.9	70.7
Media	0.10	3.8	60.7
Asian 50	-0.40	3.3	49.3
Global 50	-0.19	-0.1%	39.8
Tiger 50*	-0.30	-2.5	66.9

*Asia excluding Japan

Source: Dow Jones Indexes

Dow Jones Asia Titans: Thursday's best and worst...

Company	Country	Industry	Market value, in billions of US$	Previous close, in local currency	STOCK PERFORMANCE Previous session	52-week	Three-year
Westfield Grp	Australia	Retail REITs	$25.7	12.10	2.20%	18.5%	-42.0%
Takeda Pharm	Japan	Pharmaceuticals	36.9	4,220	1.20	24.1	-46.0
China Mobile (HK)	Hong Kong	Mobile Telecommunications	195.7	76.40	1.19	14.5	5.7
Aus NZ Bk	Australia	Banks	57.4	24.88	1.10	68.6	-15.5
Woodside Petroleum	Australia	Exploration Production	30.6	46.25	0.98	25.1	26.2
Shinhan Financial Grp	South Korea	Banks	$18.1	43,350	-2.80%	69.3	-21.4
Canon	Japan	Electronic Office Equipment	55.0	4,025	-2.78	49.9	-38.5
Shin-Etsu Chml	Japan	Specialty Chemicals	24.1	5,140	-2.65	9.6	-30.0
QBE Ins Grp	Australia	Reinsurance	19.6	20.76	-2.17	4.9	-35.6
POSCO	South Korea	Iron Steel	36.7	548,000	-1.97	57.7	43.6

...And the rest of Asia's blue chips

Company/Country (Industry)	Market value, in billions (U.S)	Latest, in local currency	STOCK PERFORMANCE Latest	52-week	Three-year
Commonwlth Bk of Aus Australia (Banks)	79.3	56.61	0.84%	66.5%	12.9%
Japan Tobacco Japan (Tobacco)	35.7	336,000	0.75	40.5	-40.3
NTT DoCoMo Japan (Mobile Telecommunications)	65.3	141,300	0.57	3.5	-34.3
China Constr Bk Hong Kong (Banks)	180.1	6.22	0.48	41.7	39.5
RioZim Ltd Australia (General Mining)	43.1	76.99	0.38	114.4	26.7
Tokyo Elec Power Japan (Conventional Electricity)	36.7	2,455	0.24	0.2	-42.2
Tokio Marine Hldgs Japan (Property Casualty Insurance)	22.3	2,564	0.23	4.9	-38.7
Kansai Elec Power Japan (Conventional Electricity)	22.4	2,124	0.19	-0.1	-44.0
Indl Comm Bk China Hong Kong (Banks)	63.2	5.90	0.17	68.6	34.4
Sony Japan (Consumer Electronics)	37.8	3,430	0.15	73.9	-44.5
Woolworths Australia (Food Retailers Wholesalers)	32.6	28.76	0.14	14.2	4.9
Nippon T&T Japan (Fixed Line Telecommunications)	57.0	3,895	...	7.0	-35.2
Hon Hai Precision Ind Taiwan (Electrical Components Equipment)	37.5	139.50	...	121.0	0.2
KDDI Japan (Mobile Telecommunications)	23.3	475,000	-0.11	6.5	-48.1
Samsung Elec South Korea (Semiconductors)	103.6	797,000	-0.13	47.3	36.9
Westpac Bking Australia (Banks)	73.3	27.30	-0.15	50.0	4.0
Hutchison Whampoa Hong Kong (Diversified Industrials)	31.6	57.45	-0.17	44.9	-23.8
Taiwan Smcndtr Mfg Taiwan (Semiconductors)	49.3	60.40	-0.17	23.4	-12.7
Mitsui Japan (Industrial Suppliers)	30.3	1,514	-0.20	70.1	-30.9
Mitsubishi Japan (Industrial Suppliers)	42.5	2,342	-0.21	90.7	-15.9

Company/Country (Industry)	Market value, in billions (U.S)	Latest, in local currency	STOCK PERFORMANCE Latest	52-week	Three-year
National Australia Bk Australia (Banks)	51.7	26.75	-0.30%	37.2%	-34.3%
Panasonic Japan (Consumer Electronics)	30.7	1,339	-0.30	18.6	-45.1
BHP Billiton Australia (General Mining)	133.5	43.16	-0.32	38.1	47.5
JFE Hldgs Japan (Iron Steel)	21.0	3,585	-0.42	64.8	-51.6
Sun Hung Kai Prop Hong Kong (Real Estate Holding Development)	39.1	118.30	-0.50	78.4	31.1
Mitsubishi UFJ Finl Japan (Banks)	72.8	473.00	-0.63	-3.3	-65.0
PetroChina Hong Kong (Integrated Oil Gas)	24.7	9.10	-0.66	49.9	5.1
China Life Ins Hong Kong (Life Insurance)	35.5	37.00	-0.67	48.3	66.7
Cheung Kong Hong Kong (Real Estate Holding Development)	29.4	98.65	-0.75	50.7	1.9
Nintendo Japan (Toys)	38.5	27,180	-0.80	-3.9	-20.3
Nippon Steel Japan (Iron Steel)	24.0	344.00	-0.86	33.9	-60.3
Seven I Hldgs Japan (Broadline Retailers)	20.5	2,047	-0.92	4.8	-42.8
East Japan Railway Japan (Travel Tourism)	26.8	6,130	-0.97	22.4	-33.5
Nissan Motor Japan (Automobiles)	34.5	766.00	-1.03	108.7	-41.9
Mizuho Financial Grp Japan (Banks)	29.6	190.00	-1.04	-9.1	-75.4
Sumitomo Mitsui Finl Japan (Banks)	43.7	2,931	-1.15	-17.2	-72.9
CNOOC Hong Kong (Exploration Production)	73.7	12.80	-1.23	72.0	98.8
KB Fncl Group South Korea (Banks)	17.8	52,600	-1.31	68.5	-37.4
Toyota Motor Japan (Automobiles)	123.0	3,530	-1.40	19.1	-54.7
Honda Motor Japan (Automobiles)	64.7	3,200	-1.54	43.5	-23.8

Sources: Dow Jones Indexes; WSJ Market Data Group

Tracking credit markets & dealmakers

— NOTICE TO READERS —
All statistics published in The Wall Street Journal Asia from markets outside the Asian-Pacific region reflect preliminary data.

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Hedge funds

Dow Jones Hedge Benchmark	TOTAL RETURN for rolling periods, net of fees* One week	One month	One quarter	Year to date	One year
Merger Arbitrage	0.13%	2.29%	1.0%	0.3%	5.8%
Event Driven	0.62	2.71	2.3	1.6	14.6
Equity Long/Short	0.72	3.38	4.6	3.0	7.9

*Estimates as of 03/12/10, after fees; Source: www.djhedgefundindexes.com

Credit derivatives

Spreads on credit derivatives are one way the market rates creditworthiness. Regions that are treading in rough waters can see spreads swing toward the maximum—and vice versa. Indexes below are for five-year swaps.

Markit iTraxx Indexes

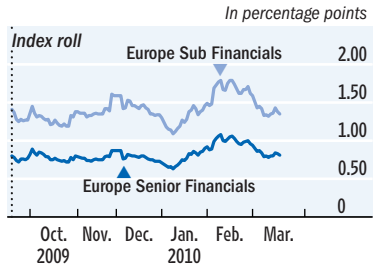
Index: series/version	Mid-spread, in pct. pts.	Mid-price	Coupon	SPREAD RANGE, in pct. pts. since most recent roll Maximum	Minimum	Average
Europe: 12/1	0.74	101.19%	0.01%	1.00	0.65	0.83
Eur. High Volatility: 12/1	1.09	99.58	0.01	1.76	0.92	1.29
Europe Crossover: 12/1	4.07	103.67	0.05	6.15	3.79	4.86
Asia ex-Japan IG: 12/1	0.91	100.41	0.01	1.34	0.87	1.07
Japan: 12/1	1.20	99.07	0.01	1.68	0.99	1.35

Note: Data as of March 17

Spreads

Spreads on five-year swaps for corporate debt; based on Markit iTraxx indexes.

In percentage points



Source: Markit Group

Credit-default swaps: Asian companies

At its most basic, the pricing of credit-default swaps measures how much a buyer has to pay to purchase-and how much a seller demands to sell-protection from default on an issuer's debt. The snapshot below gives a sense which way the market was moving yesterday.

Showing the biggest improvement...

	Yesterday	CHANGE, in basis points Yesterday	Five-day	28-day
Sanyo Shinpan Fin	660	**-42**	-15	-31
Promise	660	**-40**	-13	-32
Orix	251	**-28**	-28	-51
Kawasaki Kisen Kaisha	166	**-24**	-30	-65
Acom	276	**-24**	-8	-28
Obayashi	140	**-22**	-34	-95
Taisei	269	**-19**	-27	-102
Taiheiyo Cem	486	**-13**	-5	-41
Marui Group	196	**-13**	-24	-66
Takashimaya	112	**-13**	-7	-20

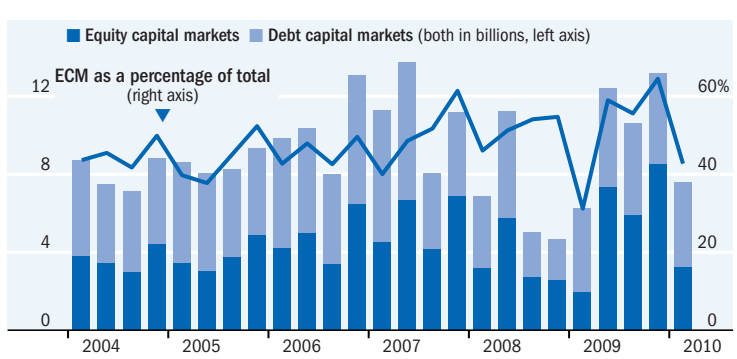
And the most deterioration

	Yesterday	CHANGE, in basis points Yesterday	Five-day	28-day
Hysan Dev	51	**1**	...	-5
Sekisui House	57	**1**	-8	-31
Nippon Oil	40	**1**	-2	-9
Toyota Mtr	58	**1**	-7	-27
Philippine Long Distance Tel	119	**1**	-5	-47
Korea Expwy	62	**2**	6	-29
Nomura Hldgs	182	**3**	3	-35
Nomura Secs	130	**3**	-5	-24
Kintetsu	103	**4**	-1	-2
Nec Electrs	198	**4**	-1	-43

Source: Markit Group

Behind global deals: Bank revenues from equity capital markets

Behind every IPO, follow-on or convertible equity offering is one or more investment banks. At right, investment banks historical and year-to-date revenues from global equity-capital-market (ECM) deals



Source: Dealogic

GLOBAL MARKETS LINEUP

Commodities

Prices of futures contracts with the most open interest

EXCHANGE LEGEND: CBOT: Chicago Board of Trade; **CME:** Chicago Mercantile Exchange; **NYBOT:** New York Board of Trade; **MDEX:** Bursa Malaysia Derivatives Berhad; **LIFFE:** London International Financial Futures Exchange; **LME:** London Mercantile Exchange; **NYMEX:** New York Mercantile Exchange; **ICE:** IntercontinentalExchange

	Commodity	Exchange	Last price	ONE-DAY CHANGE Net	ONE-DAY CHANGE Percentage	Contract high	Contract low
	Corn (cents/bu.)	CBOT	**371.25**	-2.75	**-0.74%**	714.00	325.00
	Soybeans (cents/bu.)	CBOT	**957.00**	-2.00	**-0.21**	1,087.50	819.75
	Wheat (cents/bu.)	CBOT	**488.25**	-7.75	**-1.56**	745.00	472.00
	Live cattle (cents/lb.)	CME	**95.125**	1.150	**1.22%**	95.350	83.075
	Cocoa ($/ton)	ICE-US	**2,898**	-7	**-0.24**	3,514	2,066
	Coffee (cents/lb.)	ICE-US	**135.80**	2.20	**1.65**	190.40	118.30
	Sugar (cents/lb.)	ICE-US	**18.77**	0.44	**2.40**	29.00	11.90
	Cotton (cents/lb.)	ICE-US	**82.16**	0.99	**1.22**	94.00	51.38
	Crude palm oil (ringgit/ton)	MDEX	**2,550.00**	-55	**-2.11**	3,600	1,486
	Cocoa (pounds/ton)	LIFFE	**2,211**	6	**0.27**	2,356	1,475
	Robusta coffee ($/ton)	LIFFE	**1,268**	20	**1.60**	1,605	1,212
	Copper (cents/lb.)	COMEX	**338.00**	-3.80	**-1.11**	355.00	140.00
	Gold ($/troy oz.)	COMEX	**1121.60**	-2.40	**-0.21**	1,229.00	785.10
	Silver (cents/troy oz.)	COMEX	**1752.00**	-0.30	**-0.02**	1,949.50	916.00
	Aluminum ($/ton)	LME	**2,279.00**	2.00	**0.09**	2,356.50	1,376.00
	Tin ($/ton)	LME	**17,700.00**	...	**unch.**	18,250.00	10,035.00
	Copper ($/ton)	LME	**7,510.00**	-6.00	**-0.08**	7,695.00	3,925.00
	Lead ($/ton)	LME	**2,250.00**	-25.00	**-1.10**	2,615.00	1,247.00
	Zinc ($/ton)	LME	**2,327.00**	-16.00	**-0.68**	2,659.00	1,244.00
	Nickel ($/ton)	LME	**22,300**	150	**0.68**	22,950	9,475
	Crude oil ($/bbl.)	NYMEX	**82.01**	-0.92	**-1.11**	132.95	52.95
	Heating oil ($/gal.)	NYMEX	**2.1276**	-0.0237	**-1.10**	3.4240	1.3933
	RBOB gasoline ($/gal.)	NYMEX	**2.3093**	-0.0231	**-1.00**	3.1200	1.4650
	Natural gas ($/mmBtu)	NYMEX	**4.325**	-0.046	**-1.05**	10.430	4.153
	Brent crude ($/bbl.)	ICE-EU	**81.36**	-0.60	**-0.73**	109.11	57.30
	Gas oil ($/ton)	ICE-EU	**674.25**	-1.50	**-0.22**	691.50	512.75

Source: Thomson Reuters; WSJ Market Data Group

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Currencies

London close on March 18

AMERICAS	Per euro	In euros	Per U.S. dollar	In U.S. dollars
Argentina peso-a	5.2526	0.1904	3.8615	0.2590
Brazil real	2.4348	0.4107	1.7900	0.5587
Canada dollar	1.3790	0.7252	1.0138	0.9864
1-mo. forward	1.3790	0.7252	1.0138	0.9864
3-mos. forward	1.3790	0.7252	1.0138	0.9864
6-mos. forward	1.3794	0.7249	1.0141	0.9861
Chile peso	716.78	0.001395	526.95	0.001898
Colombia peso	2587.81	0.0003864	1902.45	0.0005256
Ecuador US dollar-f	1.3602	0.7352	1	1
Mexico peso-a	16.9647	0.0589	12.4718	0.0802
Peru sol	3.8611	0.2590	2.8385	0.3523
Uruguay peso-e	26.593	0.0376	19.550	0.0512
U.S. dollar	1.3602	0.7352	1	1
Venezuela bolivar	5.84	0.171180	4.29	0.232848
ASIA-PACIFIC				
Australia dollar	1.4788	0.6762	1.0871	0.9199
China yuan	9.2853	0.1077	6.8262	0.1465
Hong Kong dollar	10.5566	0.0947	7.7608	0.1289
India rupee	61.8302	0.0162	45.4550	0.0220
Indonesia rupiah	12412	0.0000806	9125	0.0001096
Japan yen	123.02	0.008129	90.44	0.011057
1-mo. forward	122.99	0.008130	90.42	0.011059
3-mos. forward	122.95	0.008134	90.39	0.011064
6-mos. forward	122.84	0.008141	90.31	0.011073
Malaysia ringgit-c	4.4990	0.2223	3.3075	0.3023
New Zealand dollar	1.9079	0.5241	1.4026	0.7130
Pakistan rupee	114.805	0.0087	84.400	0.0118
Philippines peso	62.061	0.0161	45.625	0.0219
Singapore dollar	1.8992	0.5265	1.3962	0.7162
South Korea won	1539.46	0.0006496	1131.75	0.0008836
Taiwan dollar	43.202	0.02315	31.760	0.03149
Thailand baht	43.936	0.02276	32.300	0.03096

EUROPE	Per euro	In euros	Per U.S. dollar	In U.S. dollars
Euro zone euro	1	1	0.7352	1.3603
1-mo. forward	1.0000	1.0000	0.7351	1.3603
3-mos. forward	1.0000	1.0000	0.7351	1.3603
6-mos. forward	1.0002	0.9998	0.7353	1.3600
Czech Rep. koruna-b	25.393	0.0394	18.668	0.0536
Denmark krone	7.4417	0.1344	5.4709	0.1828
Hungary forint	262.64	0.003808	193.08	0.005179
Norway krone	8.0055	0.1249	5.8854	0.1699
Poland zloty	3.8819	0.2576	2.8539	0.3504
Russia ruble-d	39.883	0.02507	29.321	0.03411
Sweden krona	9.7167	0.1029	7.1434	0.1400
Switzerland franc	1.4461	0.6915	1.0631	0.9406
1-mo. forward	1.4457	0.6917	1.0628	0.9409
3-mos. forward	1.4449	0.6921	1.0622	0.9414
6-mos. forward	1.4436	0.6927	1.0612	0.9423
Turkey lira	2.0838	0.4799	1.5320	0.6528
U.K. pound	0.8917	1.1215	0.6555	1.5255
1-mo. forward	0.8918	1.1213	0.6556	1.5252
3-mos. forward	0.8922	1.1209	0.6559	1.5247
6-mos. forward	0.8925	1.1204	0.6561	1.5241
MIDDLE EAST/AFRICA				
Bahrain dinar	0.5128	1.9501	0.3770	2.6526
Egypt pound-a	7.4555	0.1341	5.4810	0.1824
Israel shekel	5.0751	0.1970	3.7310	0.2680
Jordan dinar	0.9641	1.0373	0.7088	1.4109
Kuwait dinar	0.3921	2.5501	0.2883	3.4687
Lebanon pound	2042.42	0.0004896	1501.50	0.0006660
Saudi Arabia riyal	5.1010	0.1960	3.7501	0.2667
South Africa rand	9.9434	0.1006	7.3100	0.1368
United Arab dirham	4.9962	0.2002	3.6730	0.2723
SDR -f	0.8865	1.1280	0.6517	1.5344

a-floating rate b-commercial rate c-government rate c-commercial rate d-Russian Central Bank rate f-Special Drawing Rights from the International Monetary Fund ; based on exchange rates for U.S., British and Japanese currencies.
Note: Based on trading among banks in amounts of $1 million and more, as quoted by Thomson Reuters.

Major stock market indexes

Stock indexes from around the world, grouped by region. Shown in local-currency terms.

Price-to-earnings ratio*	Region/Country	Index	PREVIOUS SESSION Close	Net change	Percentage change	PERFORMANCE Yr.-to-date	52-wk.
28	**ASIA-PACIFIC**	**DJ Asia-Pacific**	127.34	-0.40	**-0.31%**	3.5%	51.5%
...	Australia	**SPX/ASX 200**	4863.11	9.94	**0.20%**	-0.2	39.7
...	China	**CBN 600**	27213.20	-24.23	**-0.09**	-6.3	39.1
17	Hong Kong	**Hang Seng**	21330.67	-53.82	**-0.25**	-2.5	62.4
20	India	**Sensex**	17519.26	29.18	**0.17**	0.3	94.6
...	Indonesia	**Jakarta Composite**	2737.242	-19.020	**-0.69**	8.0	104.0
...	Japan	**Nikkei Stock Average**	10744.03	-102.95	**-0.95**	1.9	35.2
...		**Topix**	940.79	-6.64	**-0.70**	3.7	23.0
...	Malaysia	**Kuala Lumpur Composite**	1301.94	-0.01	**unch.**	2.3	52.8
...	New Zealand	**NZSX-50**	3220.686	19.727	**0.62**	-0.3	22.3
8	Pakistan	**KSE 100**	10007.87	26.39	**0.26**	6.6	55.4
14	Philippines	**Manila Composite**	3100.95	12.90	**0.42**	1.6	74.2
...	Singapore	**Straits Times**	2913.94	-5.36	**-0.18**	0.6	83.9
11	South Korea	**Kospi**	1675.17	-7.69	**-0.46**	-0.5	44.2
20	Taiwan	**Weighted**	7886.34	38.50	**0.49**	-3.7	56.6
10	Thailand	**SET**	759.02	-6.52	**-0.85**	3.3	77.5
23	**EUROPE**	**Stoxx Europe 600**	261.05	-0.29	**-0.11**	3.1	51.8
14		**Stoxx Europe 50**	2612.12	-2.85	**-0.11**	1.3	48.0
27	**Euro Zone**	**Euro Stoxx**	274.63	-1.46	**-0.53%**	-0.1%	46.0%
14		**Euro Stoxx 50**	2913.46	-17.85	**-0.61**	-1.8	42.9
20	Denmark	**OMX Copenhagen**	353.57	-0.45	**-0.13**	12.0	69.3
21	Finland	**OMX Helsinki**	7245.34	-66.97	**-0.92**	12.2	53.2
17	France	**CAC-40**	3938.18	-19.71	**-0.50**	...	41.8
17	Germany	**DAX**	6012.31	-11.97	**-0.20**	0.9	48.7
15	Italy	**FTSE MIB**	22785.15	-117.43	**-0.51**	-2.0	54.5
...	Netherlands	**AEX**	341.95	-1.11	**-0.32**	2.0	62.5
...	Russia	**RTSI**	1558.80	-4.66	**-0.30**	9.2	124.4
10	Spain	**IBEX 35**	11073.5	-93.3	**-0.84**	-7.3	43.8
16	Switzerland	**SMI**	6897.74	5.73	**0.08%**	5.4	43.9
...	Turkey	**ISE National 100**	53534.39	-769.27	**-1.42**	1.3	123.4
14	U.K.	**FTSE 100**	5642.62	-2.01	**-0.04**	4.2	47.8
18	**AMERICAS**	**DJ Americas**	311.62	0.14	**0.04**	5.1	53.5
...	Brazil	**Bovespa**	69146.70	-576.53	**-0.83**	0.8	70.2
...	Argentina	**Merval**	2371.99	-10.39	**-0.44**	2.2	118.6
19	Mexico	**IPC**	32642.57	-155.73	**-0.47**	1.6	66.2

*P/E ratios use trailing 12-months, as-reported earnings
European and Americas index data are as of 12:00 p.m. ET.

Sources: Thomson Reuters; WSJ Market Data Group

Thomson Reuters is the primary data provider for several statistical tables in The Wall Street Journal, including foreign stock quotations, futures and futures options prices, and foreign exchange tables. Reuters real-time data feeds are used to calculate various Dow Jones Indexes.

Dow Jones Indexes

Dividend yield*	Price-to-earnings ratio*	Dows Jones Index	Last	Net change	PERFORMANCE Daily	Year-to-date	52-wk.	Three-yr., annualized
2.19%	19	**Global TSM**	2393.38	-1.95	**-0.08%**	3.2%	55.8%	-5.2%
1.92	19	**Global DOW**	2015.25	0.81	**0.04**	1.6	51.1	-1.9
2.43	15	**Global Titans 50**	173.41	-0.32	**-0.19**	-0.1	39.8	-7.6
2.18	25	**Asia/Pacific TSM**	1258.67	-3.73	**-0.30**	3.5	56.4	-3.7
2.42	15	**Asia/Pacific ex-Japan TSM**	3115.13	-1.52	**-0.05**	1.3	85.2	2.7
2.78	14	**Europe TSM**	2643.44	-5.15	**-0.19**	-1.3	53.4	-9.2
1.86	14	**Emerging Markets TSM**	4164.21	-0.54	**-0.01**	2.7	89.6	4.2
2.45	33	**Asian Titans 50**	138.70	-0.56	**-0.40**	3.3	49.3	-5.7
6.37	6	**BRIC 50**	596.93	0.33	**0.06**	-0.2	84.0	9.2
0.86	27	**CBN China 600** -c	27213.20	-24.23	**-0.09**	-6.3	39.1	9.5
2.35	18	**China Offshore 50**	3975.17	-3.53	**-0.09**	-2.5	53.5	9.2
0.89	30	**Shanghai** -c	368.03	-0.40	**-0.11**	-5.1	40.4	9.7

Dividend yield*	Price-to-earnings ratio*	Dows Jones Index	Last	Net change	PERFORMANCE Daily	Year-to-date	52-wk.	Three-yr., annualized
0.56%	46	**Shenzhen** -c	402.36	0.32	**0.08%**	-3.4%	54.2%	15.2%
1.84	22	**U.S. TSM**	12025.77	4.83	**0.04**	5.6	52.1	-4.9
4.83	14	**Global Select Div** -d	200.93	0.04	**0.02**	-0.5	81.0	-8.8
5.34	14	**Asia/Pacific Select Div** -d	275.10	0.37	**0.13**	2.4	95.1	-9.1
3.70	14	**Hong Kong Select Div** -d	197.53	1.06	**0.54**	5.4	63.3	3.1
4.23	15	**U.S. Select Dividend** -d	331.85	0.27	**0.08**	5.1	49.5	-12.2
1.80	15	**Islamic Market**	2027.02	1.00	**0.05**	2.6	49.0	-0.5
2.00	15	**Islamic Market 100**	2140.89	1.36	**0.06**	0.9	37.6	-1.2
2.60	17	**Islamic China/HK Titans 30**	1527.23	0.40	**0.03**	2.8	57.1	4.8
1.55	12	**Sustainability Korea**	1218.13	-14.47	**-1.17**	1.1	80.8	1.5
3.40	17	**Brookfield Infrastructure**	2068.87	-3.35	**-0.16**	2.1	47.0	-3.0
		DJ-UBS Commodity -p	134.20	1.30	**0.98**	-3.6	26.1	-7.0

*Fundamentals are based on data in U.S. dollar. Footnotes: c-in local currency. d-dividends reinvested. p-previous day. Note: All data as of 11:30 a.m. ET.

Source: Dow Jones Indexes

Cross rates

U.S.-dollar and euro foreign-exchange rates in global trading

	US$	A$	£	C$	YUAN	EURO	HK$	RUPEE	RUPIAH	YEN	NZ$	WON	RINGGIT	PH. PESO	S$	S FRANC	TW$	BAHT
U.S.		1.087	0.656	1.014	6.826	0.735	7.761	45.455	9124.92	90.440	1.403	1131.75	3.307	45.625	1.396	1.063	31.760	32.300
Australia	0.920		0.603	0.932	6.279	0.676	7.139	41.812	8393.56	83.191	1.290	1041.04	3.042	41.968	1.284	0.978	29.214	29.711
Britain	1.526	1.658		1.546	10.413	1.121	11.839	69.342	13920.07	137.966	2.140	1726.48	5.046	69.601	2.130	1.622	48.450	49.274
Canada	0.986	1.072	0.647		6.734	0.725	7.655	44.838	9001.15	89.213	1.384	1116.40	3.263	45.006	1.377	1.049	31.329	31.862
China	0.1465	0.159	0.096	0.149		0.108	1.137	6.659	1336.76	13.249	0.205	165.80	0.485	6.684	0.205	0.156	4.653	4.732
Euro	1.360	1.479	0.892	1.379	9.285		10.557	61.830	12412.17	123.021	1.908	1539.46	4.499	62.061	1.899	1.446	43.202	43.936
Hong Kong	0.129	0.140	0.084	0.131	0.880	0.095		5.857	1175.78	11.654	0.181	145.83	0.426	5.879	0.180	0.137	4.092	4.162
India	0.0220	0.0239	0.0144	0.0223	0.1502	0.0162	0.1707		200.75	1.9897	0.0309	24.90	0.0728	1.0037	0.0307	0.0234	0.6987	0.7106
Indonesia	0.0001	0.0001	0.0001	0.0001	0.0007	0.0001	0.0009	0.0050		0.0099	0.0002	0.12	0.0004	0.0050	0.0002	0.0001	0.0035	0.0035
Japan	0.011	0.012	0.007	0.011	0.075	0.008	0.086	0.503	100.89		0.016	12.51	0.037	0.504	0.015	0.012	0.351	0.357
New Zealand	0.713	0.775	0.467	0.723	4.867	0.524	5.533	32.407	6505.61	64.479		806.88	2.358	32.528	0.995	0.758	22.643	23.028
South Korea	0.0009	0.0010	0.0006	0.0009	0.0060	0.0006	0.0069	0.0402	8.06	0.0799	0.0012		0.0029	0.0403	0.0012	0.0009	0.0281	0.0285
Malaysia	0.302	0.329	0.198	0.307	2.064	0.222	2.346	13.743	2758.86	27.344	0.424	342.18		13.794	0.422	0.321	9.602	9.766
Philippines	0.022	0.024	0.014	0.022	0.150	0.016	0.170	0.996	200.00	1.982	0.031	24.81	0.072		0.031	0.023	0.696	0.708
Singapore	0.716	0.779	0.470	0.726	4.889	0.527	5.558	32.556	6535.54	64.776	1.005	810.59	2.369	32.678		0.761	22.747	23.134
Switzerland	0.941	1.023	0.617	0.954	6.421	0.692	7.300	42.757	8583.31	85.072	1.319	1064.57	3.111	42.917	1.313		29.875	30.383
Taiwan	0.031	0.034	0.021	0.032	0.215	0.023	0.244	1.431	287.31	2.848	0.044	35.63	0.104	1.437	0.044	0.033		1.017
Thailand	0.031	0.034	0.020	0.031	0.211	0.023	0.240	1.407	282.51	2.800	0.043	35.04	0.102	1.413	0.043	0.033	0.983	

Source: Thomson Reuters via WSJ Market Data Group

MSCI indexes

Developed and emerging-market regional and country indexes from MSCI Barra as of March. 18, 2010

Dividend yield	Price-to-earnings ratio	Morgan Stanley Index	Last	LOCAL-CURRENCY PERFORMANCE Daily	YTD	52-wk.
2.40%	23	**ALL COUNTRY (AC) WORLD***	307.66	-0.82%	**2.7%**	64.4%
2.50	24	**World (Developed Markets)**	1,202.51	-0.73	**2.9**	60.1
1.80	83	**World Small Cap**	204.75	-0.87	**7.7**	84.7
2.50	21	**Kokusai (World ex-Japan)**	1,187.93	-0.70	**2.4**	63.2
3.00	23	**EAFE**	1,592.68	-0.94	**0.8**	59.6
2.20	20	**Emerging Markets (EM)**	1,005.77	-1.42	**1.6**	101.4
2.50	23	**AC ASIA PACIFIC EX-JAPAN**	421.78	-1.99	**1.3**	96.9
2.20	22	**AC Far East ex-Japan**	451.25	-2.13	**0.3**	87.6
1.70	145	**Japan**	592.74	1.02	**4.3**	26.9
2.00	19	**China**	63.74	1.84	**-1.7**	75.9
0.90	37	**China A (China Domestic)**	3,134.29	2.27	**-7.3**	53.7
2.60	23	**Hong Kong**	10,455.40	2.00	**2.7**	66.7
0.90	20	**India**	714.40	0.53	**1.0**	110.2
1.30	16	**Korea**	476.17	2.39	**-1.0**	63.3
2.30	20	**Malaysia**	476.73	0.43	**1.5**	43.9
3.10	17	**Singapore**	1,618.61	1.09	**-0.4**	80.6
2.70	234	**Taiwan**	281.72	2.08	**-4.8**	63.2
3.30	18	**Thailand**	318.01	1.92	**5.4**	80.7
3.60	25	**Australia**	1,003.95	1.15	**0.3**	45.5
5.00	16	**New Zealand**	83.50	-0.22	**-4.2**	14.3
1.90	28	**US BROAD MARKET**	1,304.51	-0.59	**5.5**	62.4
3.40	16	**EUROPE**	90.73	0.89	**2.8**	50.1

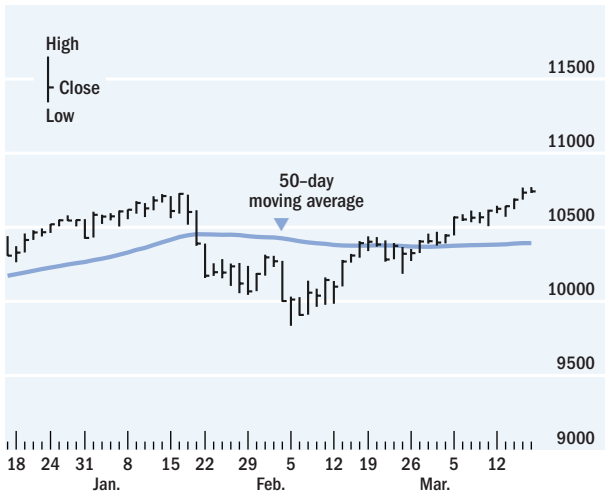
*Twenty-three developed and 26 emerging markets

Source: MSCI Barra

SCANNING THE GLOBE

Dow Jones Industrial Average P/E: 17

LAST: **10741.83** ▲ 8.16, or 0.08%
YEAR TO DATE: ▲ **313.78, or 3.0%**
OVER 52 WEEKS ▲ **3,341.03, or 45.1%**



Nasdaq Composite Index P/E: 16*

LAST: **2388.04** ▼ 1.05, or 0.04%
YEAR TO DATE: ▲ **118.89, or 5.2%**
OVER 52 WEEKS ▲ **904.56, or 61.0%**

S&P 500 Index P/E: 23

LAST: **1163.36** ▼ 2.85, or 0.24%
YEAR TO DATE: ▲ **48.26, or 4.3%**
OVER 52 WEEKS ▲ **379.32, or 48.4%**

*Price-to-earnings ratio for the Nasdaq 100 Note: Price-to-earnings ratios are for trailing 12 months

Sources: WSJ Market Data Group; Birinyi Associates

DJIA component stocks

Stock	Symbol	Volume, in millions	Latest	CHANGE Points	CHANGE Percentage
AT&T	T	**7.60**	$25.95	0.05	**0.17%**
Alcoa	AA	**32.40**	14.48	0.02	**0.14**
AmExpress	AXP	**2.80**	40.67	-0.34	**-0.83**
BankAm	BAC	**75.20**	17.04	-0.23	**-1.34**
Boeing	BA	**2.90**	70.18	0.80	**1.15**
Caterpillar	CAT	**3.90**	59.61	-0.61	**-1.01**
Chevron	CVX	**5.30**	74.49	-0.18	**-0.24**
CiscoSys	CSCO	**13.60**	26.38	0.11	**0.44**
CocaCola	KO	**5.30**	53.89	0.05	**0.09**
Disney	DIS	**4.20**	33.60	-0.15	**-0.43**
DuPont	DD	**9.40**	37.04	0.55	**1.51**
ExxonMobil	XOM	**14.50**	67.18	-0.18	**-0.27**
GenElec	GE	**48.50**	17.99	-0.05	**-0.28**
HewlettPk	HPQ	**5.30**	52.62	0.39	**0.75**
HomeDpt	HD	**10.50**	32.38	-0.15	**-0.45**
Intel	INTC	**34.30**	22.04	-0.21	**-0.93**
IBM	IBM	**2.50**	128.40	0.64	**0.50**
JPMorgChas	JPM	**14.90**	43.29	-0.50	**-1.14**
JohnsJohns	JNJ	**5.20**	64.94	0.29	**0.45**
KftFoods	KFT	**6.10**	29.86	0.16	**0.54**
McDonalds	MCD	**2.80**	66.65	0.27	**0.40**
Merck	MRK	**5.10**	38.01	-0.07	**-0.20**
Microsoft	MSFT	**22.10**	29.64	0.01	**0.03**
Pfizer	PFE	**24.10**	17.19	-0.02	**-0.12**
ProctGamb	PG	**3.60**	63.79	-0.23	**-0.35**
3M	MMM	**2.10**	82.89	0.71	**0.86**
TravelersCos	TRV	**1.70**	53.60	0.61	**1.15**
UnitedTech	UTX	**1.50**	72.45	0.26	**0.36**
Verizon	VZ	**4.80**	30.35	0.20	**0.65**
WalMart	WMT	**4.90**	55.81	-0.11	**-0.20**

U.S. stocks: most active...

Stock	Symbol	Volume, in millions	Latest	CHANGE Points	CHANGE Percentage
Citigroup	C	**251.1**	$4.00	–$0.05	**–1.23%**
FordMotor	F	**131.1**	14.13	0.03	**0.21**
SPDR S&P 500	SPY	**98.0**	116.71	–0.39	**–0.33**
SiriusXM	SIRI	**80.8**	0.88	–0.01	**–1.59**
BankAm	BAC	**76.8**	17.04	–0.23	**–1.33**
BosSci	BSX	**57.3**	6.94	–0.01	**–0.14**
GenElec	GE	**48.8**	17.98	–0.06	**–0.33**
SPDR FnclSelSct	XLF	**46.9**	15.75	–0.17	**–1.07**
iShrMSCIEmrgMkt	EEM	**45.6**	41.66	–0.39	**–0.93**
DeltaPet	DPTR	**45.3**	1.77	0.41	**30.15**
HrtfrdFnl	HIG	**40.7**	28.00	–0.58	**–2.03**
PwrShrs QQQ	QQQQ	**34.6**	47.72	0.05	**0.09**
Intel	INTC	**34.3**	22.03	–0.21	**–0.96**
iShrRu2000	IWM	**34.0**	68.25	–0.22	**–0.32**
SprintNextel	S	**33.8**	3.71	0.10	**2.63**

Biggest gainers...

Medcath	MDTH	**481.8**	$11.15	$1.68	**17.74%**
SteinMart	SMRT	**550.0**	10.75	1.30	**13.76**
IDT Cp C	IDTC	**11.0**	5.43	0.63	**13.13**
AmerSvcFncl pf	ASRVP	**4.9**	23.00	2.45	**11.89**
WabashNtl	WNC	**1,764.8**	7.51	0.77	**11.42**

...Biggest losers

WestwoodOne	WWON	**4.9**	$5.85	-$1.45	**-19.86%**
CRA Int	CRAI	**1,033.1**	22.79	-5.23	**-18.67**
WPCS Int	WPCS	**437.1**	3.19	-0.71	**-18.21**
MagicSftwr	MGIC	**800.9**	2.66	-0.45	**-14.47**
Subaye	SBAY	**7.3**	16.81	-1.89	**-10.11**

ADRs of Asian companies*

52-WEEK High	52-WEEK Low	Stock	Symbol	Volume, in OOOs	Latest	CHANGE Points	CHANGE Percentage
$11.69	$8.04	**Taiwan Semi**	TSM	**9,235.4**	$10.31	-0.11	**-1.06%**
4.24	2.10	**Utd Microelectronics**	UMC	**3,468.6**	3.64	-0.03	**-0.82**
82.74	39.81	**BHP Billiton**	BHP	**2,559.0**	79.11	-0.75	**-0.94**
8.19	5.21	**Siliconware Prec Ind**	SPIL	**1,609.4**	6.11	-0.06	**-0.97**
13.30	7.51	**AU Optrncs**	AUO	**1,386.0**	11.57	-0.18	**-1.53**
5.23	2.14	**Adv Semi Engrg**	ASX	**1,315.6**	4.44	0.09	**2.07**
59.22	40.20	**China Mobile**	CHL	**1,290.0**	49.45	0.97	**1.99**
15.95	9.58	**China Unicom**	CHU	**870.9**	12.11	-0.17	**-1.40**
41.87	21.10	**Telekom Indonesia**	TLK	**851.6**	35.70	-2.13	**-5.63**
61.73	24.60	**Infosys Tech**	INFY	**814.8**	61.65	0.51	**0.83**
6.84	4.72	**Mitsu UFJ Fnl**	MTU	**718.9**	5.24	-0.08	**-1.50**
38.41	19.56	**Sony**	SNE	**707.9**	38.36	0.56	**1.48**
18.64	13.91	**SK Telecom**	SKM	**556.6**	17.14	-0.35	**-2.02**
91.97	60.18	**Toyota Motor**	TM	**470.6**	78.53	-0.77	**-0.97**
18.20	8.88	**Korea Elec Pwr**	KEP	**433.7**	17.12	-0.02	**-0.12**
9.50	4.99	**Nomura Hldgs**	NMR	**245.7**	7.38	-0.22	**-2.89**
34.27	12.94	**Aluminum Cp of China**	ACH	**194.3**	25.95	-0.53	**-2.00**
37.23	22.73	**Honda Motor**	HMC	**187.2**	35.72	-0.07	**-0.20**
20.49	16.87	**ChunghwaTel**	CHT	**179.5**	19.20	-0.15	**-0.78**
5.49	1.69	**SemiMfgInt**	SMI	**174.4**	5.42	0.32	**6.27**
150.50	60.01	**POSCO**	PKX	**170.5**	121.64	-2.16	**-1.74**
46.22	26.34	**Canon**	CAJ	**154.3**	44.55	-1.13	**-2.47**
16.49	13.11	**NTT DoCoMo**	DCM	**148.9**	15.70	0.16	**1.03**
135.92	74.50	**PetroChina**	PTR	**141.7**	116.65	-1.57	**-1.33**
81.00	46.26	**China Life Ins**	LFC	**140.1**	71.39	-0.45	**-0.63**
25.65	6.39	**Yanzhou Coal Mining**	YZC	**128.8**	22.16	-0.17	**-0.76**
9.82	6.12	**Telecom Corp of NZ**	NZT	**121.6**	7.70	-0.02	**-0.26**
7.74	2.00	**Alumina**	AWC	**116.2**	6.30	-0.17	**-2.63**
17.19	10.77	**Matsushita Elec**	PC	**109.2**	14.83	-0.11	**-0.74**
24.09	18.18	**NTT**	NTT	**96.8**	21.62	0.01	**0.06**

*Most active American depositary receipts tracked by Dow Jones

Source: WSJ Market Data Group

Global government bonds

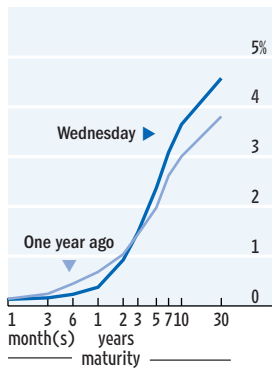
Latest, month-ago and year-ago yields and spreads over or under U.S. Treasurys on benchmark two-year and 10-year government bonds around the world. Data as of 12 p.m. ET

Coupon	Country/ Maturity, in years	Yield	SPREAD OVER TREASURYS, in basis points Latest	Previous	Month ago	Year ago	YIELD Previous	Month ago	Year ago
5.750%	**Australia** 2	**4.838%**	**387.4**	396.0	374.2	**210.3**	**4.880%**	4.576%	**2.931%**
4.500	10	**5.655**	**198.1**	202.2	184.0	**202.1**	**5.675**	5.537	**4.568**
5.000	**Austria** 2	**1.349**	**38.5**	39.1	61.8	**35.6**	**1.311**	1.452	**1.184**
3.900	10	**3.528**	**-14.6**	-14.4	-4.2	**178.0**	**3.509**	3.655	**4.327**
2.000	**Belgium** 2	**1.096**	**13.2**	15.8	49.3	**33.5**	**1.078**	1.327	**1.163**
3.750	10	**3.641**	**-3.3**	-1.9	5.6	**158.1**	**3.634**	3.753	**4.128**
1.500	**Canada** 2	**1.573**	**60.9**	65.3	35.4	**13.4**	**1.573**	1.188	**0.962**
3.750	10	**3.453**	**-22.1**	-17.8	-23.8	**15.9**	**3.475**	3.459	**2.706**
4.000	**Denmark** 2	**1.643**	**67.9**	69.4	97.4	**130.8**	**1.614**	1.808	**2.136**
4.000	10	**3.403**	**-27.1**	-27.8	-17.9	**105.9**	**3.375**	3.518	**3.606**
3.750	**France** 2	**0.922**	**-4.2**	-2.2	25.8	**71.0**	**0.898**	1.092	**1.538**
3.500	10	**3.447**	**-22.7**	-24.6	-17.0	**122.0**	**3.407**	3.527	**3.767**
1.250	**Germany** 2	**0.910**	**-5.4**	-5.0	14.3	**57.8**	**0.870**	0.977	**1.406**
3.250	10	**3.135**	**-53.9**	-54.4	-49.5	**67.5**	**3.109**	3.202	**3.222**
0.640	**Hong Kong** 2	**0.746**	**-21.8**	-18.5	-13.2	**7.9**	**0.735**	0.702	**0.907**
2.160	10	**2.846**	**-82.8**	-78.7	-68.2	**-37.2**	**2.866**	3.015	**2.175**
5.000	**Italy** 2	**1.390**	**42.6**	42.8	72.8	**129.7**	**1.348**	1.562	**2.125**
4.250	10	**3.946**	**27.2**	26.4	36.1	**197.5**	**3.917**	4.058	**4.522**
0.200	**Japan** 2	**0.155**	**-80.9**	-77.0	-66.9	**-42.3**	**0.150**	0.165	**0.405**
1.400	10	**1.370**	**-230.4**	-229.3	-236.5	**-124.5**	**1.360**	1.332	**1.302**
2.500	**Netherlands** 2	**0.909**	**-5.5**	-2.9	22.2	**83.6**	**0.891**	1.056	**1.664**
3.500	10	**3.399**	**-27.5**	-28.4	-18.4	**136.9**	**3.369**	3.513	**3.916**
5.000	**Portugal** 2	**1.847**	**88.3**	94.8	75.8	**154.7**	**1.868**	1.592	**2.375**
4.800	10	**4.306**	**63.2**	59.8	77.6	**218.4**	**4.251**	4.473	**4.731**
5.350	**Spain** 2	**1.142**	**17.8**	19.2	63.3	**119.2**	**1.112**	1.467	**2.020**
4.000	10	**3.893**	**21.9**	19.0	33.6	**167.8**	**3.843**	4.033	**4.225**
2.750	**Switzerland** 2	**0.496**	**-46.8**	-44.3	-37.4	**-41.2**	**0.477**	0.460	**0.416**
2.250	10	**1.915**	**-175.9**	-172.8	-170.6	**-49.0**	**1.925**	1.991	**2.057**
3.250	**U.K.** 2	**1.064**	**10.0**	11.7	36.0	**62.8**	**1.037**	1.194	**1.456**
3.750	10	**3.984**	**31.0**	34.4	36.9	**56.6**	**3.997**	4.066	**3.113**
0.875	**U.S.** 2	**0.964**	**...**	...	...	**...**	**0.920**	0.834	**0.828**
3.625	10	**3.674**	**...**	...	...	**...**	**3.653**	3.697	**2.547**

Source: Thomson Reuters

U.S. Treasury yield curve

The curve shows the yield to maturity of current bills, notes and bonds; all data as of 3 p.m. ET.



Ryan Index	Yield to maturity	Modified duration	TOTAL RETURN Month to-date	Quarter to-date	Year to-date	12-month
30-year Treasury	**4.573%**	16.12	–0.45 %	1.92 %	1.92 %	–7.90 %
10-year Treasury	**3.646**	8.24	–0.25	2.41	2.41	–1.67
7 Year Treasury	**3.085**	6.22	–0.16	2.82	2.82	2.19
Five-year Treasury	**2.372**	4.64	–0.30	2.08	2.08	2.23
Ryan Index	**2.679**	6.68	–0.26	1.91	1.91	0.16
3 Year Treasury	**1.477**	2.92	–0.24	1.32	1.32	3.17
Two-year Treasury	**0.923**	1.93	–0.19	0.79	0.79	2.28
1 Year Treasury	**0.376**	0.98	–0.03	0.22	0.22	1.27
Six-month Treasury	**0.233**	0.50	...	0.04	0.04	0.54
Ryan Cash Index-a	**0.226**	0.45	–0.01	0.07	0.07	0.56
Three-month bill	**0.162**	0.25	...	0.02	0.02	0.30
One-month bill	**0.132**	0.08	...	0.01	0.01	0.11

a-Performance of a cash investment

Source: Ryan ALM

Key money rates

	Latest	52 wks ago
Prime rates		
U.S.	**3.25%**	3.25%
Canada	**2.25**	2.50
Japan	**1.475**	1.475
Britain	**0.50**	0.50
ECB	**1.00**	1.50
Switzerland	**0.52**	0.52
Australia	**4.00**	3.25
Hong Kong	**5.25**	n.a.
Libor		
One month	**0.23975%**	0.52313%
Three month	**0.27100**	1.22688
Six month	**0.40766**	1.74125
One year	**0.85688**	2.00625

	Latest	52 wks ago
Euro Libor		
One month	**0.36938%**	1.18500%
Three month	**0.58500**	1.58125
Six month	**0.89875**	1.74188
One year	**1.19500**	1.88500
Hibor		
One month	**0.07000**	0.30214%
Three month	**0.12000**	0.89786
Six month	**0.21000**	1.18000
One year	**0.51857**	1.55000
Asian dollars		
One month	**0.2450%**	0.53%
Three month	**0.2650**	1.2320
Six month	**0.3946**	1.7680
One year	**0.8630**	2.0440

	Offer	Bid
Eurodollars		
One month	**0.3500%**	0.2000%
Three month	**0.3700**	0.2300
Six month	**0.5500**	0.3500
One year	**0.9500**	0.6500

	Latest	52 wks ago
U.S. discount	**0.75%**	0.50%
Fed-funds target	**0.25**	0.25
Call money	**2.00**	2.00
Overnight repurchase rates		
U.S.	**0.24%**	0.23%
U.K. (BBA)	**0.518**	0.708
Euro zone	**0.29**	0.89

Sources: WSJ Market Data Group; Reuters

MARKETS LINEUP

Moving the markets

At right, Japan's benchmark stock index and the biggest movers among the larger Asian stocks indexes and stocks Thursday. Below each index are its most actively traded stocks. The charts show the percentage change in each index's or stock's value, rather than the point change, for purposes of comparison. The index level or stock price is indicated on each axis. All indexes and stocks are shown in local currency terms.

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Asian index movers...

Nikkei Stock Average
Japan 10744.03
▼ 0.95% or 102.95

Exporters' shares moved lower as the yen rose, making Japanese goods more expensive abroad. Morgan Stanley took a less upbeat view of the real-estate sector.

Stock	Volume in millions	Change Close	Change Net	Change %
Mizuho Financial	**130.36**	190	–2	–1.04
Hitachi	**72.52**	327	–4	–1.21
Toshiba	**72.14**	447	3	0.68
Sumitomo Metal	**46.01**	272	1	0.37
Clarion	**44.65**	189	–1	–0.53

Kospi
South Korea 1675.17
▼ 0.46% or 7.69

Shipbuilders fell on news a European client canceled an order for five tankers from Hyundai Heavy Industries. News Greece may seek IMF aid also weighed on stocks.

Stock	Volume in millions	Change Close	Change Net	Change %
Samyang Optics	**57.27**	1,730.00	30.00	1.76
Hbe Energy	**38.08**	95.00	–10.00	–9.52
Korea Life	**21.98**	8,470.00	–380.00	–4.29
Kco Energy	**17.33**	385.00	–25.00	–6.10
First Tech Elec	**14.18**	4,075.00	155.00	3.95

Hang Seng
Hong Kong 21330.67
▼ 0.25% or 53.82

News China asked banks to control the pace of lending weighed on stocks. A slew of approvals for IPOs in China hurt Shanghai shares, adding downward pressure.

Stock	Volume in millions	Change Close	Change Net	Change %
CCB	**259.67**	6.22	0.03	0.48
Bank Of China	**250.63**	3.99	0.01	0.25
Icbc	**244.11**	5.90	0.01	0.17
ChinaPetroChem	**120.36**	6.28	–0.05	–0.79
PetroChina	**64.23**	9.10	–0.06	–0.66

ASX 200
Australia 4863.10
▲ 0.20% or 9.94

A broker upgrade of shopping-mall owner Westfield helped to lift the index, despite losses for insurers and continuing concern over China's efforts to slow growth.

Stock	Volume in millions	Change Close	Change Net	Change %
Telstra	**123.52**	3.17	0.04	1.28
GPT Group	**104.68**	0.57	0.01	1.79
Boart Longyear	**74.61**	0.31	–0.01	–3.13
Goodman Grp-Stpl	**47.29**	0.64	0.02	2.40
Stockland Trust	**38.45**	3.97	0.05	1.28

Asian stocks in the news

Westfield Grp
Australia A$12.10
▲ 2.2% or A$0.26

Deutsche Bank upgraded the mall landlord to a "buy," citing its mall-development opportunities.

Price-to-earnings ratio	**none**
Earnings per share, past four quarters	**-0.20**
Dividend yield	**3.9**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Real Estate	**-0.4%**	1.0%	65.2%
Westfield Grp	**2.2%**	0.8%	18.5%

Shangri-La Asia
Hong Kong HK$15.04
▲ 2.5% or HK$0.36

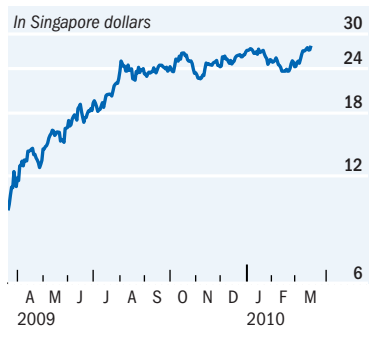
The company reported a surge in revenue per hotel room in the first two months of 2010.

Price-to-earnings ratio	**57**
Earnings per share, past four quarters	**0.26**
Dividend yield	**0.8**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Travel & Leisure	**-0.3%**	1.1%	32.1%
Shangri-La Asia	**2.5%**	6.7%	80.1%

Jardine Cycle & Carriage
Singapore S$27.82
▲ 2.7% or S$0.72

Goldman Sachs raised its profit forecasts for the firm, based on at results at its auto subsidiary.



Price-to-earnings ratio	**14**
Earnings per share, past four quarters	**1.99**
Dividend yield	**2.9**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Retail	**-0.2%**	1.2%	56.1%
Jardine Cycle & Carriage	**2.7%**	3.1%	189.8%

Kerry Prop
Hong Kong HK$40.70
▲ 4.8% or HK$1.85

Morgan Stanley raised its target price on the stock and maintained its "overweight" rating.

Price-to-earnings ratio	**13**
Earnings per share, past four quarters	**3.08**
Dividend yield	**1.7**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Real Estate	**-0.4%**	1.0%	65.2%
Kerry Prop	**4.8%**	2.6%	131.3%

Bank Mandiri (Persero)
Indonesia 5,200 rupiah
▲ 5.1% or 250 rupiah

The state-run bank rose on expectations its rights issue will be approved by Parliament.

Price-to-earnings ratio	**18**
Earnings per share, past four quarters	**287.49**
Dividend yield	**0.8**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Banks	**-0.2%**	1.8%	54.9%
Bank Mandiri (Persero)	**5.1%**	8.3%	172.3%

Canon
Japan ¥4,025
▼ 2.8% or ¥115

Like Nikon, Canon slipped as the yen rose, making exports more expensive.

Price-to-earnings ratio	**27**
Earnings per share, past four quarters	**150.00**
Dividend yield	**2.7**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Technology	**-0.5%**	1.4%	71.7%
Canon	**-2.8%**	-0.2%	49.9%

Mitsubishi Estate
Japan ¥1,476
▼ 3.8% or ¥58

Morgan Stanley lowered its view of the real-estate sector to "cautious" from "in line."

Price-to-earnings ratio	**38**
Earnings per share, past four quarters	**39.20**
Dividend yield	**0.8**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Real Estate	**-0.4%**	1.0%	65.2%
Mitsubishi Estate	**-3.8%**	-0.3%	32.3%

Nikon
Japan ¥2,094
▼ 4.2% or ¥91

Japanese exporters' stocks lost ground as the yen gained strength.

Price-to-earnings ratio	**none**
Earnings per share, past four quarters	**-42.40**
Dividend yield	**0.4**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Personal & Hshld Gds	**-0.2%**	0.8%	46.7%
Nikon	**-4.2%**	1.3%	93.9%

Tencent Hldgs
Hong Kong HK$156.70
▼ 5.5% or HK$9.10

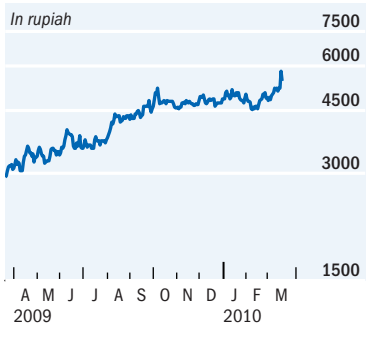
Worries over a slowdown in revenue growth hit the Internet-services company.

Price-to-earnings ratio	**55**
Earnings per share, past four quarters	**2.85**
Dividend yield	**0.3**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Technology	**-0.5%**	1.4%	71.7%
Tencent Hldgs	**-5.5%**	-4.0%	194.5%

Bank Central Asia
Indonesia 5,450 rupiah
▼ 6.0% or 350 rupiah

The lender fell back after foreign buying boosted it more than 10% on Wednesday.



Price-to-earnings ratio	**19**
Earnings per share, past four quarters	**281.80**
Dividend yield	**1.9**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Banks	**-0.2%**	1.8%	54.9%
Bank Central Asia	**-6.0%**	4.8%	86.3%

HEARD ON THE STREET

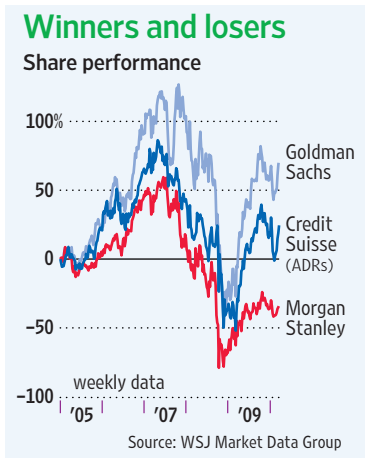
Email: heard@wsj.com FINANCIAL ANALYSIS & COMMENTARY WSJ.com/Heard

Clouds gather for Street

Investment banks should make hay while the sun is still shining. The industry enjoyed a bonanza in 2009, thanks to fat margins, huge trading volumes and ample debt issuance. While not in the same league, 2010 is looking pretty good, too, not least because credit write-ups are likely to partially offset any revenue falls. But this may be the last of the good years: A combination of new regulation and a battle for market share will sharpen the divide between winners and losers.

Investment-banking margins are far down from early 2009, when central banks handed out huge profits via steep yield curves and quantitative easing. **Morgan Stanley** estimates margins in the most liquid fixed-income markets are back at precrisis levels, after trebling at the peak of the crisis. Bid-offer spreads in European credit markets are 75% tighter than in the first quarter of 2009.

The investment bank expects fixed-income revenues to fall 20% to 25% in 2010 and the global industry profit pool to be 10% lower, even if the full impact of this decline is hidden by improved valuations on credit portfolios.



Competition, meanwhile, is likely to get more intense as banks pin hopes on market-share gains. Some, like **UBS**, which hopes to boost fixed-income revenue drastically, are trying to rebuild share lost in the crisis. Others such as **J.P. Morgan Chase**, **Credit Suisse** and Barclays Capital, want to build on recent success.

But one consequence of the crisis is that most competitors are now pursuing similar client-driven strategies, having moved away from proprietary trading and capital-intensive structured credit. For example, Morgan Stanley reckons there are nine firms that made over $2 billion of equities revenues in the second half of 2009 and are vying for a place in the top three globally, alongside **Goldman Sachs** and Credit Suisse. Differentiation in such a crowded field will be tough.

The outlook is further complicated by regulatory uncertainty, ranging from the U.S.'s Dodd bill to Basel Committee reforms to talk of a transaction tax. The bulk of any reforms won't kick in until after 2011, but Morgan Stanley estimates a worst-case scenario could knock eight percentage points off investment-bank average returns on equity. Either way, more business could go to nonbanks, including boutique advisers, alternative-asset managers and exchanges.

For banks that break into the elite, the rewards should be returns on equity well above their cost of capital. For others, 2010 may mark the dying days of a golden age.

—Simon Nixon

EU hedge-fund reprieve won't last

European hedge funds and private equity may be relieved that the European Union has postponed a decision on its proposed regulatory clampdown on the sector.

But prospects for a radical overhaul of the directive look slim. Disagreements persist in three main areas: the marketing of non-EU funds in the bloc, greater liabilities for prime brokers over funds in their custody, and remuneration. The U.K.'s potential allies—small countries Sweden, Ireland, Finland and Malta—couldn't block the directive's supporters—France and Germany—in a council vote. The U.K.'s best hope would be to build a coalition of larger countries keen to develop domestic asset-management industries. But this is far from assured.

Nor can the industry hope for salvation from the European Parliament, which has an equal say over the final draft. The French rapporteur Jean-Paul Gauzes, who steers discussions of the crucial committee, has at least proposed an EU-wide passport for domestically domiciled funds. But he takes a harder line on capital requirements than the council, favors regulatory cooperation and information exchange before allowing the marketing of non-EU funds, and wants fund managers' pay regulated.

A substantive reworking after so many drafts now seems impossible. Compromise on perhaps one outstanding issue is still pretty much the best that can be expected.

*—**Hester Plumridge***

A bell tolls for iron-ore benchmark

A 40-year-old system of setting iron-ore prices might come to an end in 2010. It is high time.

The iron-ore benchmark hinges on an annual negotiation between the mining giants—**Rio Tinto**, **BHP Billiton** and **Vale**—and their biggest customer, China's steel industry. The price set with China serves as a basis for negotiation with large buyers in Japan and South Korea.

The talks, though, have devolved into acrimony and political intrigue: In 2009, they were clouded by the arrest of Rio Tinto executives in China, who will be tried next week. This year, China's steel mills have appealed to the country's premier, Wen Jiabao, for help.

Ultimately, last year's negotiation collapsed as other Asian customers locked in rates while the Chinese demanded a lower price. Trade between the miners and China now is held together by a patchwork of individual arrangements.

Spot trade, in which shipments are sold for cash for immediate delivery, currently accounts for about 70% of China's iron-ore market. The benchmark has historically been about two-thirds the spot rate.

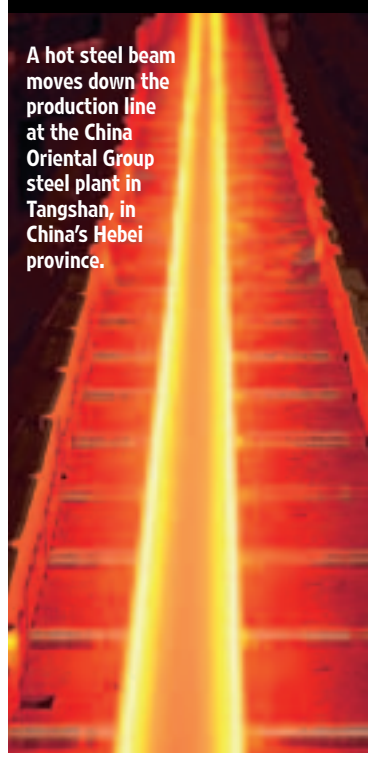
The most notable change recently comes from Vale. Last month, the Brazilian company acknowledged that the spot market for iron ore has become large enough to offer a fair basis of pricing.

On the other side are Chinese mills, which have never succeeded in achieving the price-setting power they wanted. This year will prove no exception: China still is producing steel at record levels, even as miners demand shorter-term contracts and a benchmark price that is close to the soaring spot-market price.

One solution, already practiced by BHP, is to strike smaller deals on a quarterly basis. These give both sides a chance to make adjustments should their circumstances change.

The bell tolls for the benchmark.

—Chuin-Wei Yap


A hot steel beam moves down the production line at the China Oriental Group steel plant in Tangshan, in China's Hebei province.

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